

रजिस्ट्रार नं० पी० ९७.



राजपत्र, हिमाचल प्रदेश

हिमाचल प्रदेश राज्यशासन द्वारा प्रकाशित

खण्ड 20]

शिमला, शनिवार, 23 दिसम्बर, 1972/2 पौष, 1894

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23 दिसम्बर, 1972/2 पौष, 1894 को समाप्त होने वाले सप्ताह में निम्नलिखित विज्ञप्तियां 'असाधारण राजपत्र, हिमाचल प्रदेश' में प्रकाशित हुई:-

विज्ञप्ति की संख्या	विभाग का नाम	विषय
No. 7-31/72-Elec., dated the 18th December, 1972.	Election Department	Postponement of Election of Members for the Executive Committees in newly Organised nine Gram Sabhas of Mandi district till further order.
No. 13-8/71-LSG., dated the 20th December, 1972.	Local Self Government Department	Amendment to the Octroi Schedule of the Municipal Committee, Kangra.

हिमाचल प्रदेश सरकार
PERSONNEL (A) DEPARTMENT
NOTIFICATIONS

Simla-2, the 30th November, 1972

No. 10-6/67-DP-Apptt.(II).—In exercise of the powers conferred by sub-section (1) of section 12 of the Code of Criminal Procedure, 1898 (Act V of 1898), the Governor, Himachal Pradesh is pleased to appoint Shri Chander Shamsher, Tehsildar Bhattiyat, to be the Magistrate of First Class, with all the powers of a Magistrate First Class under the said Code, to be exercised within the local limits of Tehsil Bhattiyat of Chamba district with immediate effect.

A. K. GOSWAMI,
Joint Secretary.

Simla-2, the 7th December, 1972

No. 5-16/71-Apptt.(DP).—In partial modification of this Government notification of even number, dated the 21st December, 1971, the Governor, Himachal Pradesh, is pleased to sanction special pays to the following posts, included in the I.P.S. (H.P.) Cadre, with effect from the 1st of November, 1972, at the rates indicated against each:—

Category of I.P.S. Cadre Post	Rate of special pay
-------------------------------	---------------------

- | | |
|--|--------------------|
| 1. Assistant Inspector General of Police. | Rs. 100 per month. |
| 2. Assistant Inspector General of Police, Railways and Traffic (Headquarters). | Rs. 100 per month. |

2. The expenditure involved will be debitable to the same head of account to which the pay and allowances of the officers is debitable.

3. This issues with the concurrence of the Finance Department obtained vide their U.O. No. 3367, dated 29th November, 1972.

K. N. CHANNA,
Chief Secretary.

Simla-2, the 7th December, 1972

No. 3-33/71-Apptt.—The Governor, Himachal Pradesh is pleased to accord sanction to the grant of 20 days earned leave with effect from 11-12-1972 to 30-12-1972 in favour of Capt. V. P. Chaudhry, S.D.O./Sub-Divisional Magistrate, Nichar, District Kinnaur with permission to prefix 2nd Saturday/Sunday falling on the 9th and 10th December, 1972 and to suffix Sunday on the 31st December, 1972, subject to verification of title to leave.

2. Certified that Capt. V. P. Chaudhry, S.D.O./S.D.M., Nichar, District Kinnaur would have continued to officiate as such but for his proceeding on 20 days earned leave.

3. Certified that after the expiry of leave Capt. V. P. Chaudhry is likely to return to duty to the same station from where he proceeds on leave.

A. K. GOSWAMI,
Joint Secretary.

AGRICULTURE DEPARTMENT
NOTIFICATION

Simla-2, the 4th December, 1972

No. 16-41/70-Agr.(Sectt.).—The Governor, Himachal Pradesh with the prior approval of the Himachal Pradesh Public Service Commission obtained vide their letter No. 2-15/71-PSC, dated the 25th November, 1972 is pleased to appoint Shri Virendra Singh, Senior Technical Assistant (Plant, Protection) in the Department of Agriculture in Class II (Gazetted) post of Subject Matter Specialist (Plant Protection), Indo-German Agricultural District Programme, Palampur on *ad hoc* basis, in the scale of Rs. 350-25-500-30-590/30-830-35-900 from the date of his taking over the charge of the post till 28th February, 1973 or till this post is filled on regular basis in accordance with the recruitment and promotion rules, whichever is earlier.

Sd/-
Joint Secretary.

FINANCE (REGULATION) DEPARTMENT
NOTIFICATION

Simla-2, the 29th November, 1972

No. 12-1/69-Fin. (R&E) Vol. II.—The Governor, Himachal Pradesh is pleased to declare the District Development and Panchayat Officer, Solan as Disbursing Officer under Head "71—Miscellaneous-D-Miscellaneous-D-I Charges" in connection with Village Panchayat Act.

The Governor, Himachal Pradesh is further pleased to declare the District Development and Panchayat Officer, Solan district, as Controlling Officer for T.A. purpose under the aforesaid Head of Accounts, in respect of Class III and IV employees of Panchayati Raj Department posted in that district.

M. K. KAW,
Joint Secretary.

HOME 'B' DEPARTMENT
NOTIFICATION

Simla-2, the 27th November, 1972

No. 6-43/69-Home.—The Governor, Himachal Pradesh is pleased to replace the services of Shri R. L. Vasishta, Deputy Superintendent of Police, C.B.I., who is on deputation with the Commandant General, Home Guards, Himachal Pradesh, as Staff Officer, with effect from 2nd December, 1972 (F.N.), at the disposal of Director, C.B.I., New Delhi.

By order,
 K. N. CHANNA,
Chief Secretary.

HEALTH AND FAMILY PLANNING DEPARTMENT

NOTIFICATION

Simla-2, the 29th November, 1972

No. 1-159/69. H&FP.—In supersession of this Government notification of even number dated the 5th September, 1969, the Governor, Himachal Pradesh, is pleased to post Dr. Partap Chand Tanwar as Deputy Chief Medical Officer, District Kulu. Dr. Partap Chand Tanwar will not be paid any extra remuneration for holding the charge of Deputy Chief Medical Officer in addition to his duties as Medical Officer Incharge District Hospital, Kulu.

A. D. DHANTA,
Under Secretary.

INDUSTRIES DEPARTMENT.

NOTIFICATION

Simla-2, the 28th November, 1972

No. 2-231/69-SI.—The Governor of Himachal Pradesh is pleased to appoint the Manager, Punjab National Bank, The Mall, Simla, as a member of the Committee to co-ordinate the work of various agencies operating in the State for the development of Small Scale Industries, constituted vide this Department's notification of even number, dated the 17th May, 1972.

By order,
P. K. MATTOO,
Secretary.

REVENUE DEPARTMENT

NOTIFICATIONS

Simla-2, the 1st December, 1972

No. R. 22-242/57.—The Financial Commissioner, Himachal Pradesh is pleased to order the following postings and transfers of the Tehsildars with immediate effect in the public interest:—

Sl. No.	Name of Tehsildar	From	To
1.	Shri N.N. Gautam	Karsog, District Mandi.	Talwara vice Shri Hira Singh transferred.
2.	Shri Hira Singh	Office of D.C., R&R, Talwara.	Karsog vice Shri N. N. Gautam transferred.

2. The above-mentioned officers shall be entitled to transfer travelling allowance and joining time as admissible under the rules. Both the Tehsildars shall move simultaneously.

By order,
V. K. AGNIHOTRI,
Deputy Secretary.

NOTIFICATIONS

Simla-2, the 6th December, 1972

No. 4-35/72-Rev. Cell.—Whereas it appears to the Governor, Himachal Pradesh that the land is required to be taken by the Government at public expense for a public purpose, namely for construction of Down Stream Wing Walls of Balwan Khad aqueduct in Village Nichli Behli, Tehsil Sundernagar, District Mandi (Himachal Pradesh), it is hereby declared that the land described in the specification below is required for the above purpose.

2. The declaration is made under the provisions of section 6 of the Land Acquisition Act, 1894, to all whom it may concern and under the provision of section 7 of the said Act, the Land Acquisition Collector, B.S.L. Project, Mandi is hereby directed to take order for the acquisition of the said land.

3. A plan of the land may be inspected in the office the Land Acquisition Collector, B.S.L. Project, Mandi (Himachal Pradesh).

SPECIFICATION

District: MANDI *Tehsil:* SUNDERNAGAR

Village	Khasra No.	Area		
		Big.	Bis.	Bisw.
NICHLI BEHLI	1150/1	0	1	0
	1151/1	0	1	16
Total		0	2	16

Simla-2, the 7th December, 1972

No. 4-49/72-Rev. Cell.—Whereas it appears to the Governor of Himachal Pradesh that land is likely to be required to be taken by the Himachal Pradesh Government at the public expense for a public purpose, namely for the construction of Sundernagar Hydel Channel in village Rau, Tehsil Sadar, District Mandi, Himachal Pradesh, it is hereby notified that land in the locality described below is likely to be acquired for the above purpose.

2. This notification is made under the provision of section 4 of the Land Acquisition Act 1894 to all whom it may concern.

3. In exercise of the powers conferred by the aforesaid section, the Governor, Himachal Pradesh is pleased to authorise the officers for the time being engaged in the undertaking with their servants and workmen to enter upon and survey any land in the locality and do all other acts required or permitted by that section.

4. Any person interested, who has any objection to the acquisition of the said land in the locality may, within thirty days of the publication of this notification, file an objection in writing before the Land Acquisition Collector, Beas-Sutlej Link Project, Mandi district, Mandi, Himachal Pradesh.

SPECIFICATION

District: MANDI

Tehsil: SADAR

Village 1	Khasra No. 2	Area Big. Bis. Bisw.		
		3	4	5
RAU	1089/602	0	4	4
	1091/607	0	8	3
	1093/608	1	1	18
	609	2	5	5
	1096/610	3	13	14
	1098/611	0	15	1
	612	0	15	5
	613	1	0	7
	1100/614	0	4	14
	1102/615	0	18	10
	616	0	3	10
	617	0	3	7
	618	0	2	8
	619	0	0	15
	620	0	2	8
	621	9	15	10
	622	0	5	17
	623 min	2	5	0
	625	0	9	4
	650 min	6	10	0
	651 min	4	0	0
	652	0	18	13
	1104/653	0	16	4
Total		36	19	17

Simla-2, the 7th December, 1972

No. 4-54/69-Rev. II.—Whereas it appears to the Governor, Himachal Pradesh, that the land is required to be taken by the Government at public expense for a public purpose, namely for the construction of

Sundernagar Hydel Channel in village Malhnoo, Tehsil Sadar, District Mandi, Himachal Pradesh, it is hereby declared that the land described in the specification below is required for the above purpose.

2. The declaration is made under the provisions of section 6 of the Land Acquisition Act, 1894, to all whom it may concern and under the provisions of section 7 of the said Act, the Land Acquisition Collector, BSL Project, Mandi is hereby directed to take order for the acquisition of the said land.

3. A plan of the land may be inspected in the office of the Land Acquisition Collector, BSL Project Mandi, Himachal Pradesh.

SPECIFICATION

District: MANDI

Tehsil: SADAR

Village 1	Khasra No. 2	Area Big. Bis. Bisw.		
		3	4	5
MALHNOO	834/1	1	7	15
	836/1	1	3	0
	854/1	0	6	3
	855/2	0	13	18
	856/1	1	0	4
	859/3/1	0	9	14
	871/2	1	5	18
	872	1	8	12
	873/2	2	12	11
	874	0	3	7
	875/1	1	3	5
	885/1	0	5	3
	886/1	1	3	18
	887/1	0	8	15
	888/2	0	14	18
	889	0	10	12
	890/2	2	8	12
	891/2	2	1	16
	892	0	3	2
	893/2	0	13	0
	894/2	0	13	15
	895/2	0	6	17
	896	0	1	4
	897	0	3	16
	898	0	7	4
	899	2	3	0
	900	0	9	10
	902/2	0	6	1
Total		24	15	10

By order,

L. HMINGLIANA TOCHHAWNG,
Secretary

भाग 2—बैधानिक नियमों को छोड़ कर विभिन्न विभागों के अध्यक्षों और जिला मैजिस्ट्रेटों द्वारा अधिसूचनाएं
इत्यादि

DIRECTORATE OF EMPLOYMENT AND TRAINING NOTIFICATION

Simla-4, the 15th December, 1972

No. IS. 15(EMI)28/62.—In exercise of the powers vested in me vide section 6 of the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, read with rule 7 of the Employment Exchanges (Compulsory Notification of Vacancies) Rules, 1960, I, hereby authorise

the following Officers to have access to any relevant record or document in the possession of any employer required to furnish any information or returns under section 5 of the Act and to enter at any reasonable time any premises where he believes such record or document to be and inspect or take copies of relevant record or document or ask any question necessary for obtaining any information required under that section:—

1. Employment Market Information Officer, Himachal

- Pradesh for the entire State of Himachal Pradesh.
- All the District Employment Officers in Himachal Pradesh in respect of their jurisdiction.
 - All the Statistical Assistants in Himachal Pradesh in respect of their jurisdiction.

VINOD LALL,
Director.

**OFFICE OF THE DEPUTY COMMISSIONER
KANGRA AT DHARAMSALA
NOTIFICATION**

Dharamsala, the 15th December, 1972

No. 33991/Dev.—Whereas Sohlada and Balah (Kotla) Gram Sabhas in Nurpur Block of Kangra district have been re-organised and bifurcated vide Panchayati Raj Department notification No. 36-62/72-Panch, dated the 28th November, 1972;

And, whereas fresh delimitation of constituencies and preparation of electoral rolls is now required to be done for holding elections in the aforesaid re-organised Gram Sabhas;

Now, therefore, I, Subash Dua, I.A.S., Deputy Commissioner, Kangra in partial modification of this office notification No. 31333/Dev, dated 13-10-72 issued under section 9 (1) of Himachal Pradesh Panchayati Raj Act, 1968 read with rule 19 of Himachal Pradesh Gram Panchayats Rules, 1971, do hereby make the following changes and as a result of this change fix the number of members of Gram Panchayat Soldha at serial 51 page 6 and Ballah Gram Panchayat at serial No. 58 of page 6 as under:—

Tehsil: NURPUR Block: NURPUR

Sl. No.	Name of Gram Sabha	Population	Number of members
1	2	3	4
"51"	Soldha	986	9"
"58"	Ballah at Kotla	1074	11"

SUBHASH DUA,
Deputy Commissioner.

**INDUSTRIES DEPARTMENT
(GEOLOGICAL CELL)
AUCTION NOTICE**

Simla-5, the 29th November, 1972

No. 5-72/70-Ind. (GLG).—The following minor minerals/slate quarries of Mandi district will be sold by public auction in the office of the district Industries Office, Mandi on the 28th January, 1973 at 11.00 A.M.:

Period of Auction: 5 years.

Sl. No.	Name of the minor mineral/slate quarry	Tehsil	Remarks
1	2	3	4
1.	Namana	Sundernagar	
2.	Kathinal	Sadar	New quarry
3.	Dev Lamb Kalu	Chachiot	-do-
4.	Chaluna Nala	Sundernagar	-do-
5.	Nihri	Sundernagar	
6.	New Karad	Sadar	
7.	Sarnanal	Sadar	
8.	Dopaid	Sundernagar	(Near Panjog)

1	2	3	4
9.	Brahail	Sadar	Near Deod slate quarry.
10.	Bhawas	Sadar	New quarry
11.	Mehain	Sadar	-do-
12.	Khublas	Sadar	-do-
13.	Taru Namana	Sundernagar	
14.	Barnog Namana	Sundernagar	
15.	Sarney Duge	Sadar	

The auction is being made on the following terms and conditions:—

- The terms and conditions of the auction will be announced on the spot.
- The bid shall be per annum.
- All persons intending to bid shall deposit Rs. 100 with the Presiding Officer in advance as earnest money.
- Bidders can inspect the quarries before bidding in their own interest.
- The Director of Industries reserves the right to group the quarries without assigning any reasons.
- Other information and details of the area may be obtained from the Mining Officer, Mandi.
- Area of the slate quarries will be strictly in accordance with the maps available in the office of the Mining Officer, Mandi, duly verified by the Geologist, Himachal Pradesh.
- On completion of the auction the results shall be announced and the provisionally selected bidders shall immediately deposit 25% of the amount of the bid for one year as security deposit for execution of the lease deed and due observance of its terms and conditions, and an equal amount as first instalment of royalty where the bid exceeds Rs. 1,000 per annum and full amount of bid per annum in case the bids are upto Rs. 1,000 per annum. The bid shall not be treated as accepted unless confirmed by the State Government or such other authority who may be authorised by the State Government to grant the lease/contract.
- The Government reserves the right to accept or reject the highest bid without assigning any reason.
- The auction is being made subject to the provisions contained in the Himachal Pradesh Minor Minerals (Concession) Revised Rules, 1971.

SUBHASH SHARMA,
Geologist,
for Director of Industries,
Himachal Pradesh.

**PUBLIC WORKS DEPARTMENT
NOTIFICATIONS**

Solan, the 16th December, 1972

No. SE-III-G (B)62-2/72-73-35903-06.—Whereas it appears to the Governor, Himachal Pradesh that land is likely to be required to be taken by the Himachal Pradesh Government at the public expense for a public purpose, namely for the construction of providing of office accommodation to various officials in Solan district, it is hereby notified that land in the locality described below is likely to be acquired for the above purpose.

The notification is made under the provisions of section 4 of the Land Acquisition Act, 1894 to all whom it may concern.

In exercise of the powers conferred by the aforesaid section, the Governor, Himachal Pradesh is pleased to authorise the officers for the time being engaged in the undertaking with their servants and workmen to enter upon and survey any land in the locality and do all other acts required or permitted by that section.

Any person interested who has any objection to the acquisition of the said land in the locality may, within thirty days of the publication of this notification, file an objection in writing before the Collector, Land Acquisition, Himachal Pradesh Public Works Department, Solan.

SPECIFICATION

District: SOLAN

Tehsil: SOLAN

Village	Khasra No.	Area in sq. m.
THODO SOLAN	768	6
	769	1451
	770	144
	771	4
	772	546
	776	8
	777	298
	778	84
	780	63
	781	29
	782	2
	783	425
Total		3,060

Solan, the 15th December, 1972

No. SE-III-G(R)61-6/72-35763-67.—Whereas it appears to the Governor, Himachal Pradesh that the land is

required to be taken by the Government at public expense for a public purpose, namely for construction of Rajgarh-Bagthen-Banethi road, it is hereby declared that the land described in the specification below is required for the above purpose.

The declaration is made under the provisions of section 6 of the Land Acquisition Act, 1894, to all whom it may concern and under the provisions of section 7 of the said Act, the Collector, Land Acquisition, Himachal Pradesh Public Works Department is hereby directed to take order for the acquisition of the said land.

A plan of the land may be inspected in the office of the Collector, Land Acquisition, Himachal Pradesh Public Works Department, Solan.

SPECIFICATION

District: SIRMUR

Tehsil: PACHHAD

Village	Khasra No.	Area Big. Bis.
THOR KOLAN	132/1	22 8
	543/531/1	5 4
	536/1	17 18
Total		45 10

S. P. KAPOOR,

Superintending Engineer,

3rd Circle, H.P., P.W.D., Solan.

भाग 3—अधिनियम, विधेयक और विधेयकों पर प्रवर समिति के प्रतिवेदन, वैधानिक नियम तथा हिमाचल प्रदेश के राज्यपाल, हिमाचल प्रदेश हाई कोर्ट, फाइनेन्शियल कमिश्नर तथा कमिश्नर आफ इन्कम-टैक्स द्वारा अधिसूचित आदेश इत्यादि

TRANSPORT DEPARTMENT
NOTIFICATION

Simla-1, the 28th November, 1972

No. GM. 9-1103/65 (Part).—Whereas the State Transport Undertaking, namely, the Himachal Government Transport is of the opinion that for the purpose of providing an efficient, adequate, economical and properly co-ordinated passenger road transport service, it is necessary in the public interest that such service in relation to the routes mentioned in the Annexure appended hereto should be run and operated by such undertaking to the complete exclusion of other persons as herein-after mentioned.

Now, therefore, in exercise of the powers conferred by section 68C of the Motor Vehicles Act, 1939 (Central Act 4 of 1939), the following scheme prepared by the State Transport Undertaking, namely Himachal Government Transport Department, is hereby published for the information of the persons likely to be affected by the scheme:—

SCHEME

The passenger road transport service (plying of Stage Carriages) shall be run and operated by the State Transport Undertaking, namely, Himachal Government Transport Department in relation to the routes mentioned in the Annexure appended hereto and to the extent mentioned therein to the complete exclusion of other persons as mentioned in that Annexure.

The Scheme will be taken into consideration after the expiry of a period of 30 days from the date of the

publication of this notification in the Official Gazette together with any objections which may be filed by any person effected by the scheme before the State Government in the Transport Department, Himachal Pradesh, Simla-2, within the aforesaid period of 30 days.

ANNEXURE

Sl. No.	Name of route	No. of return trips daily	Extent
1.	Simla-Kalka	10	To the complete exclusion of other persons running and operating their stage carriages on the route, provided that nothing in the scheme shall affect the services of persons of any State, other than the State of Himachal Pradesh or of any Union territory and operating on the route by virtue of any inter-State agreement.
2.	Kalka-Kasauli	2	
3.	Kalka-Subathu	1	

Provided further that the operation of two return trips on Simla-Kalka-Nalagarh route by M/s Surendra Transport and Engineering Company Private Ltd., Nalagarh shall continue till 3rd June, 1974 i.e. the validity of their existing regular stage carriage permits issued by the Regional Transport Authority, Himachal Pradesh.

M. S. MUKHERJEE,
Commissioner.

WELFARE DEPARTMENT NOTIFICATION

Simla-2, the 27th November, 1972

No. 6-1/71-We'. S ectt.—In exercise of the powers vested in him under Article 309 of the Constitution of India, the Governor, Himachal Pradesh is pleased to make the Recruitment and Promotion Rules as in the annexure for Class II (Gazetted) posts of District Probation Officers in the Department of Welfare, Himachal Pradesh after consultation with the Himachal Pradesh Public Service Commission, vide their letter No. 2-41/72-PSC, dated 23rd September, 1972.

2. These Rules shall take effect from the date of issue of this notification.

ANNEXURE RECRUITMENT AND PROMOTION RULES PERTAINING TO CLASS II POSTS/SERVICES OF DISTRICT PROBATION OFFICERS IN THE DEPARTMENT OF WELFARE HIMACHAL PRADESH

1. Name of the post District Probation Officers.
2. Number of posts Six
3. Scale of pay Rs. 300-25-600.
4. Classification Class II Gazetted.
5. Whether selection or non-selection post. Selection.
6. Age for direct recruits. Between 25 years and 40 years.
7. Educational and other qualifications for direct recruits. *Essential.*—(i) Bachelor's degree with one of the social/behavioural sciences as one of the elective subjects from a recognised University or equivalent;
(ii) Three years' experience of probation/social welfare work in Government department/recognised Institution.
Desirable.—(i) Master's degree in Social Sciences/Social Work/Sociology from a recognised University/Institution or equivalent.
(ii) Knowledge of customs, manners and dialects of Himachal Pradesh.
8. Whether age and educational qualifications prescribed for direct recruits will apply in case of promotees. In the case of the departmental promotees, age limits prescribed for direct recruits shall not apply. The minimum educational qualifications prescribed for direct recruits shall, however, be applicable to departmental promotees i.e. a degree of a recognised University.

9. Period of probation, Two years subject to such further extension for a period not exceeding one year as may be ordered by the competent authority in special circumstances and for reasons to be recorded in writing.

10. Method of recruitment whether by direct recruitment or by promotion/transfer and percentage of the vacancies to be filled by various methods. 50% by promotion, 50% by direct recruitment.

11. In case of recruitment by promotion/deputation/transfer, grade from which promotion/deputation/transfer to be made. *By promotion from amongst.*—
(i) District Welfare Officers (Non-gazetted);
(ii) Assistants/Statistical Assistants/Head Clerks;
(iii) Investigator according to the roster given below which will be repeated after every ten vacancies:—
District Welfare Officer (Non-Gazetted)-5, 9, Assistants/Head Clerks-3, 7. Investigator-1.

Direct recruitment.—2, 4, 6, 8, 10.

12. If DPC exists, what is its composition. Class II D.P.C. to be presided over by the Chairman Himachal Pradesh Public Service Commission or a member thereof to be nominated by him.

13. Circumstances under which Himachal Pradesh Public Service Commission is to be consulted in making recruitment. As required under the law.

Note:—(1) Upper age-limit for direct recruitment will not be applicable to candidates already in the service of Himachal Pradesh Government.

(2) Upper-age limit is relaxable for Schedule Castes/Schedule Tribes candidates and other categories of persons to the extent permissible in the general or special orders of the Himachal Pradesh Government.

(3) Provisions under Col. 10 and 11 are to be revised by the Government in consultation with the Himachal Pradesh Public Service Commission as and when the number of posts under column 2 are increased or decreased.

(4) When the Government is of the opinion that it is necessary or expedient to do so, it may by order for reasons to be recorded in writing and in consultation with the Himachal Pradesh Public Service Commission relax any of the provisions of these rules, with respect to any class or category of service or person.

- (5) Age and qualifications are relaxable at the discretion of the commission in case of candidates otherwise well qualified.

PRAKASH CHAND,
Secretary.

भाग 4—स्थानीय स्वायत्त शासन: म्युनिसिपल बोर्ड, डिस्ट्रिक्ट बोर्ड, नोटिफाइड और टाउन एरिया तथा पंचायत विभाग

शून्य

भाग 5—वैयक्तिक अधिसूचनाएं और विज्ञापन

"I, Mehal Singh Sandhu alias Mehal Singh Patanga, working in Himachal Pradesh Public Works Department as Sectional Officer, have changed my name from Mehal Singh Patanga to Mehal Singh Sandhu."

PROCLAMATION

IN THE COURT OF SHRI SURENDRA PRAKASH,
M.A.L.L.B., SENIOR SUB JUDGE, SOLAN

M/s Ram Chand Mall Banarsi Dass through Sh. Megh Raj Snopkeepers, Solan, District Solan Plaintiff.

Versus

Shri Dayalu Ram s/o Sh. Paras Ram r/o Rajgarh Tehsil Pachhad, Distt. Sirmur. H. P. Defendant.

Suit No. 29 of 1971

SUIT FOR RECOVERY OF RS. 600.00

WHEREAS in the abovenoted case it has been proved to the satisfaction of the court that the abovenamed defendant is evading service of summons and cannot be served in the ordinary way. Hence this proclamation is hereby issued against him to appear in this court on 30-12-1972 at 10 a.m. to defend the case personally or through an authorised agent or pleader, failing which *ex-parte* proceedings shall be taken against him.

GIVEN under my hand and the seal of the court this 10th day of December, 1972.

SURENDRA PRAKASH,
Senior Sub-Judge.

Seal.

In the Court of Shri Surendra Prakash, M.A.L.L.B.,
Senior Sub Judge, Solan

(Empowered Under Indian Succession Act)

PROCLAMATION UNDER ORDER 5, RULE 20 C.P.C.

PETITION No. 2 OF 1972

Tikka Vijay Chand Sahib son of Late Rana Laxmi Chand Sahib of Beja, Darbar Beja, Tehsil Solan Applicant.

Versus

Shrimati Rani Sumeshwar Devi wd/o Rana Sahib Puran Chand, 2. Shrimai Rupinder Kumari w/o Shri Tikka Narinder Singh, Darbar Kotkhai, 3. Km. Sangceta d/o Rana Laxmi Chand Sahib, Darbar Beja, Tehsil Solan and 4. General public Non-Applicants.

To

The general public.

Whereas in the above mentioned application Tikka Vijay Chand has filed an application for the grant of the succession certificate, for the property left behind by Rani Gobinda Devi Sahiba of Beja deceased. Notice is hereby issued for the information of the general public, who is required to appear in this court on the 29th December, 1972 in person or through pleader and to file objection if any with regard to the grant of succession certificate to Tikka Bijay Chand, the above applicant.

In default of appearance of anyone on the date fixed, the certificate will be granted *ex-parte* in favour of Tikka Vijay Chand, the applicant.

GIVEN under my hand and the seal of the court this 25th day of November, 1972.

SURENDRA PRAKASH,
Senior Sub-Judge.

Seal.

भाग 6—भारतीय राजपत्र इत्यादि में से पुनः प्रकाशन

(देखिये पृष्ठ 1345—1382)

भाग 7—भारतीय निर्वाचन आयोग (Election Commission of India) की वैधानिक अधिसूचनाएं तथा अन्य निर्वाचन सम्बन्धी अधिसूचनाएं

शून्य

अनुपूरक

शून्य

PART VI

LAW DEPARTMENT

NOTIFICATIONS

Simla-2, the 2nd September, 1967

No. 8-1/67-LR.—The following Act recently passed by the Parliament and already published in the Gazette of India, Extraordinary, part II section I, is hereby republished in the Himachal Pradesh Rajpatra for the information of general public:—

The Finance (No. 2) Act, 1967 (20 of 1967).

JOSEPH DINA NATH,
Under Secretary (Judicial).

Assented to on 5-8-1967.

THE FINANCE (NO. 2) ACT, 1967

(ACT NO. 20 OF 1967)

AN
ACT

to give effect to the financial proposals of the Central Government for the financial year 1967-68.

BE it enacted by Parliament in the Eighteenth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. Short title and commencement.—(1) This Act may be called the Finance (No. 2) Act, 1967.

(2) Save as otherwise provided in this Act, sections 2 to 36 and 44 to 46 shall be deemed to have come into force on the 1st day of April, 1967.

CHAPTER II

INCOME-TAX AND ANNUITY DEPOSITS FOR THE FINANCIAL YEAR 1967-68

2. Income-tax.—(1) Subject to the provisions of sub-sections (2), (3) and (4), for the assessment year commencing on the 1st day of April, 1967, income-tax shall be charged at the rates specified in Part I of the First Schedule and, in the cases to which Paragraphs A, B, C and D of that Part apply, shall be increased by a surcharge for purposes of the Union and a special surcharge for purposes of the Union calculated in either case in the manner provided therein.

(2) In making any assessment for the assessment year commencing on the 1st day of April, 1967, where the total income of a company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956), includes any profits and gains from life insurance business, the income-tax payable by it shall be the aggregate of the income-tax calculated—

(i) on the amount of profits and gains from life insurance business so included, at the rate applicable in the case of the Life Insurance Corporation of India, in accordance with paragraph E of Part I of the First Schedule, to that part of its total income which consists of profits and gains from life insurance business; and

(ii) on the remaining part of its total income, at the rate applicable to the company on its total income.

(3) In cases to which Chapter XII of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the Income-tax Act) applies, the tax chargeable shall be determined as provided in that Chapter, and with reference to the rates imposed by sub-section (1) or the rates as specified in that Chapter, as the case may be.

(4) (a) In respect of any assessment for the assessment year commencing on the 1st day of April, 1967, in the case of an assessee being a domestic company or an assessee other than a company,—

(i) where his total income includes any profits and gains derived from the export (made before the sixth day of June, 1966) of any goods or merchandise out of India, he shall be entitled to a deduction, from the amount of income-tax with which he is chargeable, of an amount equal to the income-tax calculated at one-tenth of the average rate of income-tax on the amount of such profits and gains included in his total income;

(ii) where he is engaged in the manufacture of any articles in an industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 (65 of 1951), and has, during the previous year, exported before the sixth day of June, 1966 such articles out of India, he shall be entitled, in addition to the deduction of income-tax referred to in sub-clause (i), to a further deduction, from the amount of income-tax with which he is chargeable for the assessment year, of an amount equal to the income-tax calculated at the average rate of income-tax on an amount equal to two per cent of the sale proceeds receivable by him in respect of such export made before the date aforesaid.

Explanation.—In this sub-clause, the expression “sale proceeds” does not include freight or insurance attributable to the transport of the articles beyond the customs station as defined in the Customs Act, 1962 (52 of 1962);

(iii) where he is engaged in the manufacture of any articles in an industry specified in the said First Schedule and has, during the previous year, sold before the sixth day of June, 1966 such articles to any other person in India who himself has exported them out of India, and evidence is produced before the Income-tax Officer of such articles having been so exported, the assessee shall be entitled to a deduction, from the amount of income-tax with which he is chargeable for the assessment year, of an amount equal to the income-tax calculated at the average rate of income-tax on a sum equal to two per cent of the sale proceeds receivable by him from the exporter in respect of such articles sold to the exporter before the date aforesaid.

(b) The aggregate amount of the deductions under this sub-section shall in no case exceed the amount of income-tax otherwise payable by the assessee.

(c) Nothing contained in sub-clause (ii) or sub-clause (iii) of clause (a) shall apply in relation to—

- (1) fuels,
- (2) fertilisers,
- (3) photographic raw film and paper,
- (4) textiles (including those dyed, printed or otherwise processed) made wholly or in part of jute, including jute twine and rope,

- (5) newsprint.
- (6) pulp—wood pulp, mechanical, chemical, including dissolving pulp,
- (7) sugar.
- (8) vegetable oils and vanaspathi,
- (9) cement and gypsum products,
- (10) arms and ammunition, and
- (11) cigarettes.

respectively, specified in items 2, 18, 20, 23(2), 24 (2), 24(5), 25, 28, 35, 37 and 38 of the First Schedule to the Industries (Development and Regulation) Act, 1951 (65 of 1951).

(d) The amount of any profits and gains derived from the export of any goods or merchandise out of India in respect of which deduction of income-tax is admissible under sub-clause (i) of clause (a) shall be computed in accordance with the rules made by the Board in this behalf.

(5) In cases in which tax has to be deducted under sections 193, 194, 194A and 195 of the Income-tax Act at the rates in force, the deduction shall be made at the rates specified in Part II of the First Schedule.

(6) In cases in which income-tax has to be calculated under the first proviso to sub-section (5) of section 132 of the Income-tax Act or charged under sub-section (4) of section 172 of sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 or deducted under section 192 of the said Act from income chargeable under the head "Salaries" or in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed, at the rate or rates in force, such income-tax or, as the case may be, "advance tax" shall be so calculated, charged, deducted or computed at the rate or rates specified in Part III of the First Schedule.

(7) For the purposes of this section and the First Schedule—

(a) "company in which the public are substantially interested" means a company which is such a company as is referred to in section 108 of the Income-tax Act;

(b) "domestic company" means an Indian company, or any other company which, in respect of its income liable to income-tax under the Income-tax Act for the assessment year commencing on the 1st day of April, 1967, has made the prescribed arrangements for the declaration and payment within India of the dividends (including dividends on preference shares) payable out of such income in accordance with the provisions of section 194 of that Act;

(c) "earned income" means any income of an assessee who is an individual, or Hindu undivided family, or an unregistered firm [not being an unregistered firm assessed under clause (b) of section 183 of the Income-tax Act] or an association of persons or body of individuals, whether incorporated or not, not being—

- (A) a company, or
- (B) a local authority, or
- (C) a registered firm, or
- (D) an unregistered firm assessed under clause

(b) of the said section 183—

(i) which is chargeable under the head "Salaries"; or

(ii) which is chargeable under the head "Profits and gains of business or profession" where the business or profession is carried on by the assessee or, in the case of a firm, where the assessee is a partner actively engaged in the conduct of the business or profession; or

(iii) which is chargeable under the head "Income from other sources" if it is immediately derived from personal exertion or represents a pension or superannuation or other allowance given to the assessee in respect of the past services of any deceased person, or which is chargeable under that head under clause (ia) of sub-section (2) of section 56 of the Income-tax Act, and

includes any such income which, though it is the income of another person, is included in the assessee's total income under the provisions of the Income-tax Act, but does not include any such income on which income-tax is not payable under clause (iii) or clause (v) of section 86 of that Act or which is exempted from tax under a notification issued under section 60 or section 60A of the Indian Income-tax Act, 1922 (11 of 1922), as continued in force by clause (f) of sub-section (2) of section 297 of the Income-tax Act;

(d) "industrial company" means a company which is mainly engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture or processing of goods or in mining.

Explanation.—For the purpose of this clause, a company shall be deemed to be mainly engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture or processing of goods or in mining, if the income attributable to any one or more of the aforesaid activities included in its total income of the previous year (as computed before making any deduction under Chapter VIA of the Income-tax Act) is not less than fifty-one per cent of such total income;

(e) "tax free security" means any security of the Central Government issued or declared to be income-tax free, or any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government;

(f) "unearned income" means income which is not "earned income";

(g) all other words and expressions used in this section and the First Schedule but not defined in this sub-section and defined in the Income-tax Act, shall have the meanings respectively assigned to them in that Act.

3. *Annuity deposit.*—(1) Save as otherwise provided in Chapter XXIIA of the Income-tax Act, annuity deposit for the assessment year commencing on the 1st day of April, 1967 and annuity deposit to be made during the financial year commencing in the 1st day of April, 1967, shall be made by every person to whom the provisions of that Chapter apply, at the rate specified in the Second Schedule.

(2) For the purposes of this section and the Second Schedule, the expression "adjusted total income", "annuity deposit" and "depositor" have the meanings respectively assigned to them under clauses (4), (5) and (6) of section 280B of the Income-tax Act,

CHAPTER III

AMENDMENTS IN THE INCOME-TAX ACT

4. *Amendment of section 2.*—In section 2 of the Income-tax Act,—

(a) after clause (1), the following clause shall be inserted, namely:—

“(1A) “amalgamation”, in relation to companies, means the merger of one or more companies with another company or the merger of two or more companies to form one company (the company or companies which so merge being referred to as the amalgamating company or companies and the company with which they merge or which is formed as a result of the merger as the amalgamated company) in such a manner that—

(i) all the property of the amalgamating company or companies immediately before the amalgamation becomes the property of the amalgamated company by virtue of the amalgamation;

(ii) all the liabilities of the amalgamating company or companies immediately before the amalgamation become the liabilities of the amalgamated company by virtue of the amalgamation;

(iii) shareholders holding not less than nine-tenths in value of the shares in the amalgamating company or companies (other than shares already held therein immediately before the amalgamation by, or by a nominee for, the amalgamated company or its subsidiary) become shareholders of the amalgamated company by virtue of the amalgamation.

otherwise than as a result of the acquisition of the property of company by another company pursuant to the purchase of such property by the other company or as a result of the distribution of such property to the other company after the winding up of the first mentioned company;”

(b) after clause (37), the following clause shall be inserted, namely:—

“(37A) “rate or rates in force” or “rates in force”, in relation to an assessment year or financial year, mean—

(i) for the purposes of calculating income-tax under the first proviso to sub-section (5) of section 132, or computing the income-tax chargeable under sub-section (4) of section 172 or sub-section (2) of section 174, or section 175 or sub-section (2) of section 176 or deducting income-tax under section 192 from income chargeable under the head “Salaries” or computation of the “advance tax” payable under Chapter XVII-C, the rate or rates of income-tax specified in this behalf in the Finance Act of the relevant year;

(ii) for the purposes of deduction of tax under sections 193, 194, 194A and 195, the rate or rates of income-tax specified in behalf in the Finance Act of the relevant this year;”

(c) in clause (42A), in clause (i) of the *Explanation*,—

(i) in sub-clause (b), for the words, brackets and figures “clause (i), to (iii)”, the words, brackets and figure “sub-section (1)” shall be substituted;

(ii) after sub-clause (b), the following sub-clause shall be inserted, namely;—

“(c) in the case of a capital asset being a share or shares in an Indian company, which becomes the property of the assessee in consideration of a transfer referred to in clause (vii) of section 47, there shall be included the period for which the share or shares in the amalgamating company were held by the assessee.”

5. *Amendment of section 10.*—In section 10 of the Income-tax Act, in clause (27), the words, figures and letters “which is assessable for the assessment year commencing on the 1st day of April, 1965, 1966 or 1967” shall be omitted.

6. *Amendment of section 23.*—In section 23 of the Income-tax Act, in the proviso to sub-section (2), for the words “total income of the owner,” the following shall be substituted, namely:—

“total income of the owner (the total income for this purpose being computed without including therein any income from such property and before making any deduction under Chapter VIA or section 280O)”

7. *Amendment of section 29.*—In section 29 of the Income-tax Act, for the words and figures “sections 30 to 43”, the words, figures and letter “sections 30 to 43A” shall be substituted.

8. *Amendment of section 32.*—In section 32 of the Income-tax Act, in clause (2) of the *Explanation* to clause (iii) of sub-section (1), after the words “for the time being in force”, the following words shall be added, namely:—

“but does not include a transfer, in a scheme of amalgamation, of any asset by the amalgamating company to the amalgamated company where the amalgamated company is an Indian company”

9. *Amendment of section 33.*—In section 33 of the Income-tax Act, for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) Where, in a scheme of amalgamation, the amalgamating company sells or otherwise transfers to the amalgamated company any ship, machinery or plant in respect of which development rebate has been allowed to the amalgamating company under sub-section (1) or sub-section (1A),—

(a) the amalgamated company shall continue to fulfil the conditions mentioned in sub-section (3) of section 34 in respect of the reserve created by the amalgamating company and in respect of the period within which such ship, machinery or plant shall not be sold or otherwise transferred and in default of any of these conditions, the provisions of sub-section (5) of section 155 shall apply to the amalgamated company as they would have applied to the amalgamating company had it committed the default; and

(b) the balance of development rebate, if any, still outstanding to the amalgamating company in respect of such ship, machinery or plant shall be allowed to the amalgamated company in accordance with the provisions

of sub-section (2), so, however, that the total period for which the balance of development rebate shall be carried forward in the assessments of the amalgamating company and the amalgamated company shall not exceed the period of eight years specified in sub-section (2) and the amalgamated company shall be treated as the assessee in respect of such ship, machinery or plant for the purposes of this section and section 34."

11. Amendment of section 33A.—In section 33A of the Income-tax Act, for sub-section (5), the following shall be substituted, namely:—

"(5) Where, in a scheme of amalgamation, the amalgamating company sells or otherwise transfers to the amalgamated company any land in respect of which development allowance has been allowed to the amalgamating company under sub-section (4),—

(a) the amalgamated company shall continue to carry the deduction mentioned in sub-section (4) in respect of the reserve created by the amalgamating company and in respect of the period within which such land shall be sold or otherwise transferred and in default of any of these conditions, the provisions of sub-section (5A) of section 155 shall apply to the amalgamated company as they would have applied to the amalgamating company had it committed the default; and

(b) the industrial development allowance, if any, allowed to the amalgamating company in respect of such land shall be allowed to the amalgamated company in accordance with the provisions of sub-section (2), so, however, that the total period for which the balance of development allowance shall be carried forward in the assessments of the amalgamating company and the amalgamated company shall not exceed the period of eight years specified in sub-section (2) and the amalgamated company shall be treated as the assessee in respect of such land for the purposes of this section."

12. Insertion of new section 33B.—After section 33A of the Income-tax Act, the following section shall be inserted, namely:—

Section 33B.—Where the business of an industrial undertaking carried on in India has been discontinued in any previous year by reason of the destruction of, any immovable property owned by the assessee for the purpose of such business, the assessee shall be entitled to a deduction of a sum by way of

rehabilitation allowance equivalent to sixty per cent of the amount of the deduction allowable to him under clause (iii) of sub-section (1) of section 32 in respect of the building, machinery, plant or furniture so damaged or destroyed.

rehabilitation allowance equivalent to sixty per cent of the amount of the deduction allowable to him under clause (iii) of sub-section (1) of section 32 in respect of the building, machinery, plant or furniture so damaged or destroyed.

Explanation.—In this section "industrial undertaking" means any undertaking which is mainly engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture or processing of goods or in mining."

13. Amendment of section 34.—In section 34 of the Income-tax Act, for the *Explanation* to clause (i) of sub-section (2), the following *Explanation* shall be substituted, namely:—

"**Explanation.**—Where a capital asset is transferred—

(i) by a holding company to its subsidiary company or by a subsidiary company to its holding company, or

(ii) by a company to another company in a scheme of amalgamation,

and the conditions specified in clause (iv), or clause (v), or, as the case may be, clause (vi) of section 47 are satisfied, then, in determining the aggregate of all deductions in respect of depreciation under this clause, account shall also be taken of the deductions in respect of depreciation allowed in the case of the company from which the asset has been transferred;"

14. Amendment of section 35.—In section 35 of the Income-tax Act, after sub-section (4), the following sub-section shall be inserted, namely:—

"(5) Where, in a scheme of amalgamation, the amalgamating company sells or otherwise transfers to the amalgamated company (being an Indian company) any asset representing expenditure of a capital nature on scientific research,—

(i) the amalgamating company shall not be allowed the deduction under clause (ii) or clause (iii) of sub-section (2); and

(ii) the provisions of this section shall, as far as may be, apply to the amalgamated company as they would have applied to the amalgamating company if the latter had not so sold or otherwise transferred the asset."

15. Amendment of section 35A.—In section 35A of the Income-tax Act, after sub-section (5), the following sub-section shall be inserted, namely:—

"(6) Where, in a scheme of amalgamation, the amalgamating company sells or otherwise transfers the rights to the amalgamated company (being an Indian company),—

(i) the provisions of sub-sections (3) and (4) shall not apply in the case of the amalgamating company; and

(ii) the provisions of this section shall, as far as may be, apply to the amalgamated company as they would have applied to the amalgamating company if the latter had not so sold or otherwise transferred the rights."

16. Amendment of section 36.—In section 36 of the Income-tax Act, in clause (ix) of sub-section (1), in the third proviso, for the words, brackets and figures "sub-section (2) of section 35", the words, brackets and figures "sub-section (2) and sub-section (5) of section 35" shall be substituted.

16. Amendment of section 43.—In section 43 of the Income-tax Act,—

(i) in clause (1), after *Explanation 6*, the following *Explanation* shall be inserted, namely:—

“Explanation 7.—Where, in a scheme of amalgamation, any capital asset is transferred by the amalgamating company to the amalgamated company and the amalgamated company is an Indian company, the actual cost of the transferred capital asset to the amalgamated company shall be taken to be the same as it would have been if the amalgamating company had continued to hold the capital asset for the purposes of its own business.”

(ii) in clause (6), after *Explanation 2*, the following *Explanation* shall be inserted, namely:—

“Explanation 2A.—Where, in a scheme of amalgamation, any capital asset is transferred by the amalgamating company to the amalgamated company and the amalgamated company is an Indian company, the written down value of the transferred capital asset to the amalgamated company shall be taken to be the same as it would have been if the amalgamating company had continued to hold the capital asset for the purposes of its business.”

17. Insertion of new section 43A.—After section 43 of the Income-tax Act, the following section shall be inserted, namely:—

“43A. Special provisions consequential to changes in rate of exchange of currency.—(1) Notwithstanding anything contained in any other provision of this Act, where an assessee has acquired any asset from country outside India for the purposes of his business or profession and, in consequence of a change in the rate of exchange at any time after the acquisition of such asset, there is an increase or reduction in the liability of the assessee as expressed in Indian currency for making payment towards the whole or a part of the cost of the asset or for repayment of the whole or a part of the moneys borrowed by him from any person, directly or indirectly, in any foreign currency specifically for the purpose of acquiring the asset (being in either case the liability existing immediately before the date on which the change in the rate of exchange takes effect), the amount by which the liability aforesaid is so increased or reduced during the previous year shall be added to, or, as the case may be, deducted from, the actual cost of the asset as defined in clause (1) of section 43 or the amount of expenditure of a capital nature referred to in clause (iv) of sub-section (1) of section 35 or in section 35A or in clause (ix) of sub-section (1) of section 36 or, in the case of a capital asset (not being a capital asset referred to in section 50), the cost of acquisition thereof for the purposes of section 48, and the amount arrived at after such addition or deduction shall be taken to be the actual cost of the asset or the amount of expenditure of a capital nature or, as the case may be, the cost of acquisition of the capital asset as aforesaid.

Explanation 1.—In this sub-section, unless the context otherwise requires,—

(a) “rate of exchange” means the rate of exchange determined or recognised by the Central Government for the conversion of Indian currency

into foreign currency for foreign currency into Indian currency;

(b) “foreign currency” and “Indian currency” have the meanings respectively assigned to them in section 2 of the Foreign Exchange Regulation Act, 1947 (7 of 1947).

Explanation 2.—Where the whole or any part of the liability aforesaid is met, not by the assessee, but, directly or indirectly, by any other person or authority, the liability so met shall not be taken into account for the purposes of this sub-section.

Explanation 3.—Where the assessee has entered into a contract with an authorised dealer as defined in section 2 of the Foreign Exchange Regulation Act, 1947 (7 of 1947) for providing him with a specified sum in a foreign currency on or after a stipulated future date at the rate of exchange specified in the contract to enable him to meet the whole or any part of the liability aforesaid, the amount, if any, to be added to, or deducted from, the actual cost of the asset or the amount of expenditure of a capital nature or, as the case may be, the cost of acquisition of the capital asset under this sub-section shall, in respect of so much of the sum specified in the contract as is available for discharging the liability aforesaid, be computed with reference to the rate of exchange specified therein.

(2) The provisions of sub-section (1) shall not be taken into account in computing the actual cost of an asset for the purpose of the deduction on account of development rebate under section 33.

18. Amendment of section 44.—In section 44 of the Income-tax Act, for the words and figures “section 28 to 43”, the words, figures and letter “section 28 to 43A” shall be substituted.

19. Amendment of section 47.—In section 47 of the Income-tax Act, after clause (v), the following clauses shall be added, namely:—

“(vi) any transfer, in a scheme of amalgamation, of a capital asset by the amalgamating company to the amalgamated company if the amalgamated company is an Indian company;

(vii) any transfer by a shareholder, in a scheme of amalgamation, of a capital asset being a share or shares held by him in the amalgamating company if—

(a) the transfer is made in consideration of the allotment to him of any share or shares in the amalgamated company, and

(b) the amalgamated company is an Indian company.”

20. Amendment of section 49.—Section 49 of the Income-tax Act shall be re-numbered as sub-section (1) thereof, and—

(i) in sub-section (1) as so re-numbered,—

(a) in sub-clause (e) of clause (iii), after the word, brackets and figure “clause (v)”, the words, brackets and figures “or clause (vi)” shall be inserted;

(b) in the *Explanation*, for the word “section” wherever it occurs, the word “sub-section” shall be substituted; and

(ii) after sub-section (1) as so re-numbered, the following sub-section shall be added, namely:—

“(2) Where the capital asset being a share or shares in an amalgamated company which is an Indian company became the property

of the assessee in consideration of a transfer referred to in clause (vii) of section 47, the cost of acquisition of the asset shall be deemed to be the cost of acquisition to him of the share or shares in the amalgamating company."

21. Amendment of section 55.—In section 55 of the Income-tax Act,

(a) in clause (b) of sub-section (1), for the word and figure "section 49", the words, brackets and figure "sub-section (1) of section 49" shall be substituted;

(b) in clause (ii) of sub-section (2), for the word and figure "section 49", the words, brackets and figure "sub-section (1) of section 49" shall be substituted.

22. Amendment of section 72.—In section 72 of the Income-tax Act,

(a) in sub-section (1), the following proviso shall be added at the end, namely:—

"Provided that where the whole or any part of such loss is sustained in any such business as referred to in section 33B which is discontinued in the circumstances specified in that section, and thereafter, at any time before the expiry of the period of three years referred to in that section, such business is re-established, reconstructed or revived by the assessee, so much of the loss as is attributable to such business shall be carried forward to the assessment year relevant to the previous year in which the business is so re-established, reconstructed or revived, and—

(a) it shall be set off against the profits and gains, if any, of that business or any other business carried on by him and assessable for that assessment year; and

(b) if the loss cannot be wholly so set off, the amount of loss not so set off shall, in case the business so re-established, reconstructed or revived continues to be carried on by the assessee, be carried forward to the following assessment year and so on for seven assessment years immediately succeeding."

(ii) in sub-section (3), after the words "No loss", the brackets, words and figure "[other than the loss referred to in the proviso to sub-section (1) of this section]" shall be inserted.

23. Insertion of new section 80F.—In Chapter VIA of the Income-tax Act, after section 80E, the following section shall be, and shall be deemed to have been, inserted with effect from the 1st day of April, 1966, namely:—

"80F. *Deduction in respect of remuneration from certain foreign sources in the case of professors, teachers, etc.*—Where, in the case of an individual who is a citizen of India, the total income (as computed before making any deduction under this Chapter and before deduction of any amount of annuity deposit under section 280O) includes any remuneration received by him outside India from any University or other educational institution established outside India or such other association or body established outside India as may be notified in this behalf by the Central Government in the Official Gazette, for any service rendered by him during his stay outside

India in his capacity as a professor, teacher, or research worker in such University, institution, association or body, there shall be allowed a deduction from such remuneration of an amount equal to fifty per cent thereof, in computing the total income of the individual:

Provided that where the individual renders continuous service outside India in such University, institution, association or body for a period exceeding thirty-six months, no deduction under this section shall be allowed in respect of the remuneration for such service relating to any period after the expiry of the thirty-six months aforesaid."

24. Amendment of section 84.—In section 84 of the Income-tax Act,—

(a) for sub-section (1) the following sub-section shall be, and shall be deemed always to have been, substituted, namely:—

"(1) Save as otherwise hereinafter provided, income-tax shall not be payable by an assessee on so much of the profits and gains derived from any industrial undertaking or business of a hotel or from any ship, to which this section applies, as does not exceed six per cent per annum on the capital employed in such undertaking or business or ship, computed in the prescribed manner."

(b) in sub-section (2),—

(i) for clause (iii), the following clause shall be, and shall be deemed always to have been, substituted, namely:—

"(iii) it manufactures or produces articles or operates one or more cold storage plants, in any part of India, and has begun or begins to manufacture or produce articles or to operate such plant or plants, at any time within the period of twenty-three years next following the 1st day of April, 1948, or such further period as the Central Government may, by notification in the Official Gazette, specify with reference to any particular industrial undertaking;"

(ii) in clause (iv), before the words "it employs ten or more workers", the words "in a case where the industrial undertaking manufactures or produces articles," shall be, and shall be deemed always to have been, inserted;

(iii) the following proviso shall be inserted at the end, namely:—

"Provided that the condition in clause (i) shall not apply in respect of any industrial undertaking which is formed as a result of the re-establishment, re-construction or revival by the assessee of the business, of any such industrial undertaking as is referred to in section 33B, in the circumstances and within the period specified in that section;"

(iv) the following further proviso shall be inserted at the end, namely:—

"Provided further that condition in clause (ii) shall be deemed not to have been contravened if the industrial undertaking is set up in rented premises."

(c) for sub-section (3) and the *Explanation* occurring

at the end, the following sub-section and *Explanation* shall, respectively, be substituted, namely:—

“(3) This section applies to the business of any hotel where all the following conditions are fulfilled, namely:—

- (a) the business of the hotel starts functioning on or after the 1st day of April, 1961, and is not formed by the splitting up, or the reconstruction, of a business already in existence or by the transfer, to a new business, of a building previously used as a hotel, or of any machinery or plant previously used for any purpose;
- (b) the business of the hotel is owned and carried on by a company registered in India with a paid up capital of not less than five hundred thousand rupees;
- (c) the hotel has such number and types of guest rooms and provides such amenities as may be prescribed, having regard to the population and the tourist importance of the place, in which the hotel is located; and
- (d) the hotel is, for the time being, approved for the purposes of this sub-section, by the Central Government.

Explanation.—Where—

- (a) in the case of an industrial undertaking, any building, machinery or plant, or any part thereof, previously used for any purpose, or
- (b) in the case of the business of a hotel, any building, or any part thereof, previously used as a hotel, or any machinery or plant, or any part thereof, previously used for any purpose,

is, in either case, transferred to a new business, and the total value of the building, machinery or part so transferred does not exceed twenty per cent of the total value of the building, machinery or plant used in the business, then, for the purposes of clause (ii) of sub-section (2) and clause (a) of sub-section (3), the condition specified therein shall be deemed to have been complied with and the total value of the building, machinery or plant or part so transferred shall not be taken into account in computing the capital employed in the industrial undertaking or the business of the hotel.”;

- (d) after sub-section (3), the following sub-section shall be, and shall be deemed always to have been, inserted, namely:—

“(3A) This section applies to any ship where all the following conditions are fulfilled, namely:—

- (i) it is owned by an Indian company and is wholly used for the purposes of the business carried on by it;
- (ii) it was not, previous to the date of its acquisition by the Indian company, such and used in Indian territorial empow by a person resident in India; and the Board brought into use by the Indian company at any time within a period of twenty-three years next following the 1st day of April, 1948.”;

- (e) in sub-section (5) and sub-section (6), for the words, “profits or gains of an industrial undertaking

or hotel”, the words “profits and gains derived from an industrial undertaking or business of a hotel or from a ship” shall be, and shall be deemed always to have been, substituted;

- (f) in sub-section (7), in clause (i), after the words “manufacture or produce articles”, the words “or, as the case may be, operate the cold storage plant or plants” shall be, and shall be deemed always to have been inserted;
- (g) in sub-section (8), for the words “a hotel” and “the hotel”, the words “the business of a hotel” and “the business of the hotel” shall be, and shall be deemed always to have been, respectively, substituted;
- (h) after sub-section (8), the following sub-section shall be, and shall be deemed always to have been, inserted, namely:—

“(9) The provisions of this section shall, in relation to a ship, apply to the assessment for the assessment year relevant to the previous year in which the ship is brought into use by the Indian company and for the four assessment years immediately succeeding.”.

25. Substitution of new section for section 85.—For section 85 of the Income-tax Act, the following section shall be, and shall be deemed always to have been, substituted, namely:—

“85. *Dividend from new industrial undertaking or hotel business or ship.*—Subject to any rules that may be made by the Board in this behalf, income-tax shall not be payable by a shareholder in respect of so much of any dividend paid or deemed to be paid to him out of the profits and gains derived by a company from an industrial undertaking or the business of a hotel or a ship to which section 84 applies as is attributable to that part of such profits and gains on which income-tax is not payable by the company under section 84.”.

26. Amendment of section 88.—In section 88 of the Income-tax Act,—

- (a) in sub-section (1), after clause (ia), the following clause shall be inserted, namely:—
“(ib) as donations to the Prime Minister’s Drought Relief Fund.”;
- (b) in sub-section (3), in the third proviso, after the word, brackets, figure and letter “clause (ia)”, the words, brackets, figure and letter “or clause (ib)” shall be inserted.

27. Amendment of Chapter XIII.—In Chapter XIII of the Income-tax Act, under the sub-heading “B.—Jurisdiction”,—

- (1) in section 121, for sub-section (2), the following sub-section shall be substituted, namely:—

“(2) Where any directions, issued under sub-section (1) have assigned to two or more Commissioners, the same area or the same persons or classes of persons or the same incomes or classes of income or the same cases or classes of cases, they shall have concurrent jurisdiction and shall perform such functions in relation to the said area or persons or classes of persons or incomes or classes of income or cases or classes of cases as the Board may, by general or special order in writing, specify, for the distribution and allocation of the work to be performed.”;

- (2) for section 123, the following section shall be substituted, namely:—

"123. *Jurisdiction of Inspecting Assistant Commissioners.*—(1) Inspecting Assistant Commissioners shall perform their functions in respect of such areas or of such persons or classes of persons or of such incomes or classes of income or of such cases or classes of cases as the Commissioner may direct.

- (2) Where any directions issued under sub-section (1) have assigned to two or more inspecting Assistant Commissioners, the same area or the same persons or classes of persons or the same incomes or classes of income or the same cases or classes of cases, they shall have concurrent jurisdiction and shall perform such functions in relation to the said area or persons or classes of persons or incomes or classes of income or cases or classes of cases as the Commissioner may, by general or special order in writing, specify, for the distribution and allocation of the work to be performed."

- (3) in section 124,—

- (i) for sub-sections (1) and (2), the following sub-sections shall be substituted, namely:—

"(1) Income-tax Officers shall perform their functions in respect of such areas or of such persons or classes of persons or of such incomes or classes of income or of such cases or classes of cases as the Commissioner may direct.

- (2) Where any directions issued under sub-section (1) have assigned to two or more Income-tax Officers, the same area or the same persons or classes of persons or the same incomes or classes of income or the same cases or classes of cases, they shall have concurrent jurisdiction and shall perform such functions in relation to the said area or persons or classes of persons or incomes or classes of income or cases or classes of cases as the Commissioner, or the Inspecting Assistant Commissioner authorised by him in this behalf, may, by general or special order in writing, specify, for the distribution and allocation of the work to be performed."

- (ii) in sub-section (7), after the words "this section", the words, figures and letter "or in section 130A" shall be inserted;

- (4) for section 125, the following section shall be substituted, namely:—

"125. *Powers of Commissioner respecting specified areas, cases, persons etc.*—(1) The Commissioner may, by general or special order in writing, direct that—

- (a) the powers conferred on the Income-tax Officer and the Appellate Assistant Commissioner by or under this Act in respect of any specified case or class of cases or of any specified person or class of persons, be exercised by the Inspecting Assistant Commissioner and the Commissioner respectively;

- (b) such of the functions assigned to the Income-tax Officer by or under this

Act, as are specified in any such order may, in respect of any specified area, case or class of cases, person or class of persons or class of incomes, be performed by an Inspector of Income-tax or any member of the ministerial staff, subordinate to the Commissioner or any other Income-tax authority subordinate to him, and specified in such order, subject to such conditions, restrictions or limitations as may be specified therein:

Provided that the Commissioner shall not unless he is authorised in this behalf by the Board by general or special order in writing, make an order under clause (b) in relation to the functions of an Income-tax Officer mentioned in the following provisions of this Act, namely, sections 131, 132, 132A, 140A, 143, 144, 146, 147, 148, 162, 163, 171, 172, 174, 175, 176, 177, 178, 183, 184, 185, 189, 221, 222, 226, 228, 253, and 271 to 274 (both inclusive).

- (2) For the purpose of any case or person or proceeding under this Act in respect of which or whom an order under sub-section (1) applies,—

- (a) where such order is made under clause (a) of the said sub-section (1), references in this Act or in any rule made hereunder, to the Income-tax Officer and the Appellate Assistant Commissioner shall be deemed to be references to the Inspecting Assistant Commissioner and the Commissioner, respectively, and,—

- (i) any provision of this Act requiring an approval or sanction of the Inspecting Assistant Commissioner shall not apply;

- (ii) any appeal which would otherwise have lain to the Appellate Assistant Commissioner shall lie to the Commissioner;

- (iii) any appeal which would have lain from an order of the Appellate Assistant Commissioner to the Appellate Tribunal shall lie from the order of the Commissioner;

- (b) where such order is made under clause (b) of the said sub-section (1), references in this Act or in any rule made hereunder to the Income-tax Officer shall be deemed to include references to the Inspector of Income-tax or the member of the ministerial staff specified in such order."

- (5) for section 127, the following section shall be substituted, namely:—

"127. *Power to transfer cases.*—(1) The Commissioner may, after giving the assessee a reasonable opportunity of being heard in the matter, wherever it is possible to do so, and after recording his reasons for doing so, transfer any case from any Income-tax Officer or Income-tax Officers subordinate to him to any other Income-tax Officer or Income-tax Officers also subordinate to him and the Board may similarly transfer any case from any Income-tax Officer or Income-tax Officers to any other Income-tax Officer or Income-tax Officers:

Provided that nothing in this sub-section shall be deemed to require any such opportunity to be given where the transfer is from any Income-tax Officer or Income-tax Officers to any other Income-tax Officer or Income-tax Officers and the offices of all such Income-tax Officers are situated in the same city, locality or place:

Provided further that where any case has been transferred from any Income-tax Officer or Income-tax Officers, the Income-tax Officers to whom the case is so transferred shall have concurrent jurisdiction over the case and shall perform such functions in relation to the said case as the Board or the Commissioner (or any Inspecting Assistant Commissioner authorised by the Commissioner in this behalf) may, by general or special order in writing, specify, for the distribution and allocation of the work to be performed.

- (2) The transfer of a case under sub-section (1) may be made at any stage of the proceedings, and shall not render necessary the re-issue of any notice already issued by the Income-tax Officer or Income-tax Officers from whom the case is transferred.

Explanation.—In this section and in sections 121, 123, 124 and 125, the word “case”, in relation to any person whose name is specified in any order or direction issued thereunder, means all proceedings under this Act in respect of any year which may be pending on the date of such order or direction or which may have been completed on or before such date, and includes also all proceedings under this Act which may be commenced after the date of such order or direction in respect of any year.”

- (6) for section 128, the following section shall be substituted, namely:—

“128. *Functions of Inspectors of Income-tax.*—Inspectors of Income-tax shall perform such functions in the execution of this Act as are assigned to them by the Commissioner by an order, whether made under clause (b) of sub-section (1) of section 125 or otherwise, or by any other Income-tax authority under whom they are appointed to work”;

- (7) after section 130, the following section shall be inserted, namely:—

“130A. *Income-tax Officer competent to perform any function or functions.*—In respect of any function to be performed by an Income-tax Officer under any provision of this Act in relation to an assessee, the Income-tax Officer referred to therein shall,—

- (a) in a case where only one Income-tax Officer has jurisdiction over such assessee, be such Income-tax Officer;
- (b) in a case where two or more Income-tax Officers have concurrent jurisdiction over such assessee, be the Income-tax Officer empowered to perform such function by the Board or, as the case may be, the Income-tax Officer to whom such function has been assigned by an order of the Commissioner or of the Inspecting Assistant Commissioner authorised by the Commissioner in this behalf.”

28. *Amendment of section 138.*—In section 138 of the Income-tax Act, for sub-section (1), the following sub-section shall be substituted, namely:—

- “(1) (a) The Board or any other Income-tax authority specified by it by a general or special order in this behalf may furnish or cause to be furnished to—
- (i) any officer, authority or body performing any functions under any law relating to the imposition of any tax, duty or cess, or to dealings in foreign exchange as defined in section 2 (d) of the Foreign Exchange Regulation Act, 1947 (7 of 1947); or
- (ii) such officer, authority or body performing functions under any other law as the Central Government may, if in its opinion it is necessary so to do in the public interest, specify by notification in the Official Gazette in this behalf,

any such information relating to any assessee in respect of any assessment made under this Act or the Indian Income-tax Act, 1922 (11 of 1922) as may, in the opinion of the Board or other Income-tax authority, be necessary for the purpose of enabling the officer, authority or body to perform his or its functions under that law.

- (b) Where a person makes an application to the Commissioner in the prescribed form for any information relating to any assessee in respect of any assessment made under this Act or the Indian Income-tax Act, 1922 (11 of 1922), on or after the 1st day of April, 1960, the Commissioner may, if he is satisfied that it is in the public interest so to do, furnish or cause to be furnished the information asked for in respect of that assessment only and his decision in this behalf shall be final and shall not be called in question in any court of law.”

29. *Amendment of section 172.*—In section 172 of the Income-tax Act, in sub-section (4), for the words “rate or rates for the time being”, the words “rate or rates in force” shall be substituted.

30. *Amendment of Chapter XVII.*—In Chapter XVII of the Income-tax Act, under the sub-heading “B.—Deduction at source”,—

- (1) in section 193, the *Explanation* shall be omitted;
- (2) after section 194, the following section shall be inserted, namely:—

“194A. *Interest other than “Interest on Securities”.*—(1) Any person, not being an individual or a Hindu undivided family, who is responsible for paying to a resident any income by way of interest other than income chargeable under the head “Interest on Securities”, shall, at the time of credit of such income to the account of the payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rates in force:

Provided that no such deduction shall be made in a case where the person (not being a company or a registered firm) entitled to receive such income furnishes to the person responsible for making the payment—

- (a) an affidavit, or
- (b) a statement in writing,

declaring that his estimated total income assessable for the assessment year next following the financial year in

which the income is credited or paid will be less than the minimum liable to income-tax.

(2) The statement in writing referred to in sub-section (1) shall also contain such other particulars as may be prescribed, be verified in the prescribed manner, be signed in the presence of a Gazetted Officer of the Central or a State Government and bear an attestation by such Officer to the effect that the person who has signed the statement is known to him.

(3) The provisions of sub-section (1) shall not apply—

(a) where the income credited or paid at any one time does not exceed four hundred rupees;

(b) to such income credited or paid before the 1st day of October, 1967;

(c) to such income credited or paid to—

(a) any banking company to which the Banking Regulation Act, 1949, (10 of 1949) applies, or any co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank), or

(b) any financial corporation established by or under a Central, State or Provincial Act, or

(c) the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956), or

(d) the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963), or

(e) any company or co-operative society carrying on the business of insurance, or

(f) such other institution, association or body which the Central Government may, for reasons to be recorded in writing, notify in this behalf in the Official Gazette.

Explanation.—In this section, “Gazetted Officer” includes a Tehsildar or a Mamlatdar of a Taluka or Tehsil or any other officer performing functions similar to those of a Tehsildar or Mamlatdar.”

(3) for section 196, the following section shall be substituted, namely:—

“196. *Interest or dividend or other sums payable to Government, Reserve Bank or certain corporations.*—Notwithstanding anything contained in the foregoing provisions of this Chapter, no deduction of tax shall be made by any person from any sums payable to—

(i) the Government, or

(ii) the Reserve Bank of India, or

(iii) a corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income,

where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.”

(4) in section 197, in sub-section (1), for clause (a), the following clause shall be substituted, namely:—

“(a) income-tax is required to be deducted at the time of credit or, as the case may be, at the time of payment at the rates in force under the provisions of sections 192, 193, 194A and 195.”

(5) in sections 198, 199, 200, 202 and 205, for the words and figures “sections 192 to 195”, the words, figures and letter “sections 192 to 194, section 194A and section 195” shall be substituted;

(6) for section 203, the following section shall be substituted, namely:—

“203. *Certificate for tax deducted.*—Every person deducting tax in accordance with the provisions of sections 192 to 194, section 194A and section 195 shall, at the time of credit or payment of the sum, or, as the case may be, at the time of issue of a cheque or warrant for payment of any dividend to a shareholder, furnish to the person to whose account such credit is given or to whom such payment is made or the cheque or warrant is issued, a certificate to the effect that tax has been deducted, and specifying the amount so deducted, the rate at which the tax has been deducted and such other particulars as may be prescribed.”

(7) in section 204,—

(i) for the words and figures “sections 192 to 203 and section 285”, the words, figures and letter “sections 192 to 194, section 194A, sections 195 to 203 and section 285” shall be substituted;

(ii) in clause (iii) for the words “in the case of payment”, the words “in the case of credit, or, as the case may be, payment” shall be substituted;

(8) after section 206 the following section shall be inserted, namely:—

“206A. *Persons paying interest to residents without deduction of tax, to furnish prescribed return.*—Any person responsible for paying any income referred to in section 194A shall prepare, and within thirty days from the 31st day of March, in each year, deliver or cause to be delivered to the Income-tax Officer in the prescribed form and verified in the prescribed manner a return in writing showing—

(a) the name and address of every person who has furnished to him an affidavit or a statement under the proviso to sub-section (1) of section 194A;

(b) the amount of the income credited or paid during the financial year to each such person and the time or times at which the same was credited or paid, as the case may be; and

(c) such other particulars as may be prescribed.”

31. *Amendment of sections 209 and 215.*—In sections 209 and 215 of the Income-tax Act, for the words and figures “sections 192 to 195”, the words, figures and letter “sections 192 to 194, section 194A and section 195” shall be substituted.

32. *Amendment of First Schedule.*—In the First Schedule to the Income-tax Act, for the words and figures “sections 30 to 43”, wherever they occur, the words, figures and letter “sections 30 to 43A” shall be substituted.

33. *Certain amendments to Income-tax Act to take effect from 1st April, 1968.*—The amendments directed in the Third Schedule shall be made in the Income-tax Act with effect from the 1st day of April, 1968.

CHAPTER IV

OTHER DIRECT TAXES

34. *Amendment of Act 27 of 1957.*—In the Wealth-tax Act, 1957,—

(a) in section 2, in clause (h)—

(i) in sub-clause (i), the word “and” occurring at the end shall be omitted;

(ii) in sub-clause (ii), the word “and” shall be inserted at the end;

(iii) after sub-clause (ii), the following sub-clause shall be, and shall be deemed always to have been, inserted, namely:—

“(iia) a corporation established by or under a Central, Provincial or State Act, which

is declared by the Central Government, by general or special order, to be a company for the purposes of this Act.”;

- (b) in section 8, for the *Explanation*, the following proviso and *Explanation* shall be substituted, namely:—

“Provided that where two or more Income-tax Officers have jurisdiction or exercise powers under the Income-tax Act in respect of any individual, Hindu undivided family or company, they shall have concurrent jurisdiction and perform such functions of a Wealth-tax Officer under this Act in respect of such individual, Hindu undivided family or company, as the case may be, as the Commissioner or the Inspecting Assistant Commissioner of Wealth-tax authorised by him in this behalf may, by general or special order in writing, specify, for the distribution and allocation of the work to be performed.

Explanation.—For the purposes of this section, the Income-tax Officer or the Income-tax Officers having jurisdiction in relation to a person who is not an assessee within the meaning of the Income-tax Act, shall be the Income-tax Officer or Income-tax Officers in respect of the area in which that person resides.”;

- (c) for section 8A, the following sections shall be substituted, namely:—

“8A. *Power of Commissioner respecting specified areas, cases or persons.*—(1) The Commissioner may, by general or special order in writing, direct that such of the functions assigned to the Wealth-tax Officer by or under this Act as are specified in any such order may, in respect of any specified area or specified cases or classes of cases to specified persons or classes of persons, be performed by an Inspector of Wealth-tax or any member of the ministerial staff, appointed to work under the Commissioner or any other Wealth-tax authority subordinate to him, and specified in such order, subject to such conditions, restrictions or limitations as may be specified therein:

Provided that the Commissioner shall not, unless he is authorised in this behalf by the Board by general or special order in writing, make an order under this sub-section in relation to the functions of a Wealth-tax Officer mentioned in the following provisions of this Act, namely, sections 15B, 16, 17, 18, 20, 22, 24, 32, 37 and 37A.

- (2) For the purposes of any case or person or proceeding under this Act in respect of which or whom any order under sub-section (1) applies, references in this Act or in any rule made hereunder to the Wealth-tax Officer shall be deemed to include references to the Inspector of Wealth-tax or the member of the ministerial staff specified in such order.

8B. *Power to transfer cases.*—(1) Notwithstanding anything contained in section 8, the Commissioner may, after giving the assessee a reasonable opportunity of being heard in the matter, wherever it is possible to do so, and after recording his reasons for doing so, transfer any case from any Wealth-tax Officer or Wealth-tax Officers subordinate to him to any other Wealth-tax Officer

or Wealth-tax Officers also subordinate to him and the Board may similarly transfer any case from any Wealth-tax Officer or Wealth-tax Officers to any other Wealth-tax Officer or Wealth-tax Officers:

Provided that nothing in this sub-section shall be deemed to require any such opportunity to be given where the transfer is from any Wealth-tax Officer or Wealth-tax Officers to any other Wealth-tax Officer or Wealth-tax Officers and the offices of all such Wealth-tax Officers are situated in the same city, locality or place:

Provided further that where any case has been transferred from any Wealth-tax Officer or Wealth-tax Officers to two or more Wealth-tax Officers, the Wealth-tax Officers to whom the case is so transferred shall have concurrent jurisdiction over the case and shall perform such functions in relation to the said case as the Board or the Commissioner (or any Inspecting Assistant Commissioner of Wealth-tax authorised by the Commissioner in this behalf) may by general or special order in writing, specify, for the distribution and allocation of the work to be performed.

- (2) The transfer of a case under sub-section (1) may be made at any stage of the proceedings, and shall not render necessary the re-issue of any notice already issued by the Wealth-tax Officer or Wealth-tax Officers from whom the case is transferred.

Explanation.—In this section and in section 8A, the word “case” in relation to any person whose name is specified in any order made thereunder, means all proceedings under this Act in respect of any year which may be pending on the date of such order, or which may have been completed on or before such date, and includes also all proceedings under this Act which may be commenced after the date of such order in respect of any year.”;

- (d) in section 10, for the words “subject to such orders, if any, as the Board may make for the distribution and allocation of the work to be performed”, the following words shall be substituted, namely:—

“and shall perform such functions in relation to the said areas or persons or classes of persons as the Board may, by general or special order in writing, specify, for the distribution and allocation of the work to be performed”;

- (e) in section 11, for the words “they shall perform their functions in accordance with such orders as the Commissioner may make for the distribution and allocation of the work to be performed”, the following words shall be substituted, namely:—

“they shall have concurrent jurisdiction and shall perform such functions in respect of the said areas or persons or classes of persons as the Commissioner may, by general or special order in writing, specify for the distribution and allocation of the work to be performed”;

- (f) for section 11A, the following section shall be substituted, namely:—

“11A. *Inspector of Wealth-tax.*—A Commissioner may empower any Inspector of Income-tax within meaning of the Income-tax Act to work as an Inspector of Wealth-tax under any other Wealth-tax authority subordinate to him; and when he is so empowered, he shall perform such functions in the execution of this Act as are assigned to him

by the Commissioner by an order, whether made under sub-section (1) of section 8A or otherwise, or by any other Wealth-tax authority under whom he is appointed to work.”;

(g) after section 11A, the following section shall be inserted, namely:—

“11B. *Wealth-tax Officer competent to perform any function or functions.*—In respect of any function to be performed by a Wealth-tax Officer under any provision of this Act, in relation to any assessee, the Wealth-tax Officer referred to therein shall,—

(a) in a case where only one Wealth-tax Officer has jurisdiction over such assessee, be such Wealth-tax Officer;

(b) in a case where two or more Wealth-tax Officers have concurrent jurisdiction over assessee, be the Wealth-tax Officer empowered to perform such function by the Board, or, as the case may be, the Wealth-tax Officer to whom such function has been assigned by an order of the Commissioner or of the Inspecting Assistant Commissioner of wealth-tax authorised by the Commissioner in this behalf.”

35. *Amendment of Act 18 of 1958.*—In the Gift-tax Act 1958,—

(a) in section 7, for the *Explanation*, the following proviso and *Explanation* shall be substituted, namely:—

“Provided that where two or more Income-tax Officers have jurisdiction or exercise powers under the Income-tax Act in respect of any person they shall have concurrent jurisdiction and perform such functions of a Gift-tax Officer under this Act in respect of such person, as the Commissioner or the Inspecting Assistant Commissioner of Gift-tax authorised by him in this behalf may, by general or special order in writing, specify, for the distribution and allocation of the work to be performed.

Explanation.—For the purposes of this section, the Income-tax Officer or Income-tax Officers having jurisdiction in relation to a person who has no income assessable to Income-tax under the Income-tax Act, shall be the Income-tax Officer or Income-tax Officers in respect of the area in which that person resides.”;

for section 7A, the following sections shall be substituted, namely:—

“7A. *Power of Commissioner respecting specified areas, cases or persons.*—(1) The Commissioner may, by general or special order in writing, direct that such of the functions assigned to the Gift-tax Officer by or under the Act as are specified in any such order may, in respect of any specified area or specified cases or classes of cases or specified persons or classes of persons, be performed by an Inspector of Gift-tax or any member of the ministerial staff, appointed to work under the Commissioner or any other Gift-tax authority subordinate to him, and specified in such order, subject to such conditions restrictions or limitations as may be specified therein:

Provided that the Commissioner shall not, unless he is authorised in this behalf by the Board by general or special order in writing, make an order under this

sub-section in relation to the functions of a Gift-tax Officer mentioned in the following provisions of this Act, namely, sections 15, 16, 17, 19A, 20, 21, 21A, 23, 32, 33 and 36.

(2) For the purposes of any case or person or proceeding under this Act, in respect of which or whom any order under sub-section (1) applies, references in this Act or in any rule made hereunder to the Gift-tax Officer shall be deemed to include references to the Inspector of Gift-tax or the member of the ministerial staff specified in such order.

7B. *Power to transfer cases.*—(1) Notwithstanding anything contained in section 7, the Commissioner may, after giving the assessee a reasonable opportunity of being heard in the matter, wherever it is possible to do so, and after recording his reasons for doing so, transfer any case from any Gift-tax Officer or Gift-tax Officers subordinate to him to any other Gift-tax Officer or Gift-tax Officers also subordinate to him and the Board may similarly transfer any case from any Gift-tax Officer or Gift-tax Officers to any other Gift-tax Officer or Gift-tax Officers:

Provided that nothing in this sub-section shall be deemed to require any such opportunity to be given where the transfer is from any Gift-tax Officer or Gift-tax Officers to any other Gift-tax Officer or Gift-tax Officers and the offices of all such Gift-tax Officers are situated in the same city, locality or place:

Provided further that where any case has been transferred from any Gift-tax Officer or Gift-tax Officers to two or more Gift-tax Officers, the Gift-tax Officers to whom the case is so transferred shall have concurrent jurisdiction over the case and shall perform such functions in relation to the said case as the Board or the Commissioner (or any Inspecting Assistant Commissioner of Gift-tax authorised by the Commissioner in this behalf) may, by general or special order in writing, specify, for the distribution and allocation of the work to be performed.

(2) The transfer of a case under sub-section (1) may be made at any stage of the proceedings, and shall not render necessary the re-issue of any notice already issued by the Gift-tax Officer or Gift-tax Officers from whom the case is transferred.

Explanation.—In this section and in section 7A, the word “case”, in relation to any person whose name is specified in any order made thereunder, means all proceedings under this Act in respect of any year which may be pending on the date of such order, or which may have been completed on or before such date, and includes also all proceedings under this Act which may be commenced after the date of such order in respect of any year.”;

(c) in section 9, for the words “subject to such orders, if any, as the Board may make for the distribution and allocation of the work to be performed”, the following words shall be substituted, namely:—

“and shall perform such functions in relation to the said area or persons or classes of persons as the Board may, by general or special order in writing, specify, for the distribution and allocation of the work to be performed”;

- (d) in section 10, for the words "they shall perform their functions in accordance with such orders as the Commissioner may make for the distribution and allocation of the work to be performed", the following words shall be substituted, namely:—
"they shall have concurrent jurisdiction and shall perform such functions in respect of the said areas or persons or classes of persons as the Commissioner may, by general or special order in writing, specify, for the distribution and allocation of the work to be performed";
- (e) for section 11, the following section shall be substituted, namely:—

"11. *Inspector of Gift-tax.*—A Commissioner may empower any Inspector of Income-tax within the meaning of the Income-tax Act to work as an Inspector of Gift-tax under any other Gift-tax authority subordinate to him, and when he is so empowered, he shall perform such functions in the execution of this Act as are assigned to him by the Commissioner by an order, whether made under sub-section (1) of section 7A or otherwise, or by any other Gift-tax authority under whom he is appointed to work."

- (f) section 11A shall be re-numbered as section 11B and before section 11B as so re-numbered, the following section shall be inserted, namely:—

"11A. *Gift-tax Officer competent to perform any function or functions.*—In respect of any function to be performed by a Gift-tax Officer under any provision of this Act, in relation to any assessee, the Gift-tax Officer referred to therein shall,—

- (a) in a case where only one Gift-tax Officer has jurisdiction over such assessee, be such Gift-tax Officer;
- (b) in a case where two or more Gift-tax Officers have concurrent jurisdiction over such assessee, be the Gift-tax Officer empowered to perform such function by the Board, or, as the case may be the Gift-tax Officer to whom such function has been assigned by an order of the Commissioner or of the Inspecting Assistant Commissioner of Gift-tax authorised by the Commissioner in this behalf."

- (g) in section 45,—

- (i) after clause (d), the following clause shall be inserted namely:—

"(da) any company [other than a company to which clause (c) or clause (d) applies] to an Indian company in a scheme of amalgamation;"

- (ii) the existing *Explanation* shall be re-numbered as *Explanation 1* and after *Explanation 1* as so renumbered, the following *Explanation* shall be inserted, namely:—

Explanation 2.—For the purpose of clause (da), the term "amalgamation" shall have the meaning assigned to it in clause (1A) of section 2 of the Income-tax Act."

36. *Amendment of Act 7 of 1964.*—In the Companies (Profits) Sur tax Act, 1964,—

- (a) in section 3, in sub-section (1),—

- (i) for the words "and Income-tax Officer", the words "Income-tax Officer and Inspector of Income-tax" shall be substituted;

- (ii) for the words "same as that he has", the words "same as he has" shall be substituted;

- (b) in section 18,—

- (i) for the figures, words brackets "131 to 136 (both inclusive)", the figures, letters, words and brackets, "118, 125, 129, 130, 130A, 131, 132, 132A, 133 to 136 (both inclusive)" shall be substituted;

- (ii) for the figures, words and brackets "287 to 293 (both inclusive)", the figures, letters, words and brackets "287, 288, 288A, 288B, 289 to 293 (both inclusive)" shall be substituted;

- (c) in the First Schedule, in rule 1,—

- (i) clause (v) shall be omitted with effect from the 1st day of April, 1968;

- (ii) for clause (vii), the following clauses shall be substituted with effect from the 1st day of April, 1968, namely:—

"(vii) an amount equal to fifty per cent of the sum with reference to which a deduction is allowable to the company under the provisions of section 80G of the Income-tax Act;"

CHAPTER V

INDIRECT TAXES

37. *Amendment of Act 32 of 1934.*—In the First Schedule to the Indian Tariff Act, 1934 (herein-after referred to as the Tariff Act), in column 3, against each of the items Nos. 1, 6, 6 (1), 12(3), 13(5), 13(7), 15(3), 25(2), 25(6), 26, 26(1), 46(2), 53(1), 64(1), 64(2), 65(1), 67(3), 68(1), 68(3), 69, 69(1), 70(7), 70(8), 72(8), 72(9), 72 (29), 72(31)(a), 72(31)(b), 72(32)(a), 72(32)(b), 76(2) and 84(a) (ii), the words "Revenue" shall be inserted.

38. *Special duties of customs.*—(1) In the case of goods chargeable with a duty of customs which is specified in the First Schedule to the Tariff Act, or in that Schedule as amended by a subsequent Central Act, if any, or in that Schedule read with any notification of the Central Government for the time being in force, there shall be levied and collected as an addition to, and in the same manner as, the total amount so chargeable, a special duty of customs equal to 10 per cent of such amount:

Provided that in computing the total amount so chargeable, any duty chargeable under section 2A of the Tariff Act or section 39 of this Act shall not be included.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1968 except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 (10 of 1897) shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

39. *Regulatory duties of customs.*—(1) With a view to regulating or bringing greater economy in imports, there shall be levied and collected, with effect from such date, and at such rate, as may be specified in this behalf by the Central Government by notification in the Official Gazette, on all or any of the goods mentioned in the First Schedule to the Tariff Act or in that Schedule as amended by a subsequent Central Act, if any, a regulatory duty of customs not exceeding—

(a) 25 per cent. of the rate, if any, specified in the said First Schedule read with any notification issued under section 3A or sub-section (1) of section 4 of the Tariff Act; or

(b) 10 per cent of the value of the goods as determined in accordance with the provisions of section 14 of the Customs Act, 1962, 52 of 1962), whichever is higher:

Provided that different dates and different rates may be specified by the Central Government for different kinds of goods.

(2) Sub-section (1) shall cease to have effect after the 15th day of May, 1968 except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 (10 of 1897) shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The regulatory duty of customs leviable under this section in respect of any goods referred to in sub-section (1) shall be in addition any other duty of customs chargeable on such goods under the Customs Act, 1962 (52 of 1962).

(4) The provisions of the Customs Act, 1962 (52 of 1962) and the rules and regulations made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the regulatory duty of customs leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of customs on such goods under that Act or those rules and regulations.

(5) Every notification issued under sub-section (1) shall, as soon as may be after it is issued, be placed before each House of Parliament.

40. *Amendment of Act 1 of 1944.*—In the Central Excises and Salt Act, 1944, (hereinafter referred to as the Central Excises Act), in the First Schedule,—

(a) in Item No. 2, for the entry in the third column, the entry "Eighty-five rupees per quintal." shall be substituted;

(b) in Item No. 4, under "II. Manufactured tobacco—", for the entries in the third column against sub-items (1) (i), (1) (ii), (1) (iii) and (1) (iv), the entries "Twenty-one rupees.", "Twelve rupees and seventy-five paise.", "Four rupees and fifty paise." and "One rupee and twenty paise." shall respectively, be substituted;

(c) in Item No. 6, for the entry in the third column, the entry "Five hundred and fifty rupees per kilolitre at fifteen degrees of Centigrade thermometer." shall be substituted;

(d) in Item No. 11A, for the entry in the third column, the entry "Twenty per cent *ad valorem*." shall be substituted;

(e) in Item No. 15A, for the entry in the third column, the entry "Thirty per cent *ad valorem*." shall be substituted;

(f) for Item No. 16A, the following item shall be substituted, namely:—

"16A RUBBER PRODUCTS,
THE FOLLOWING,
NAMELY:—

- | | |
|---|---|
| (1) Latex foam sponge | Twenty per cent
<i>ad valorem</i> . |
| (2) Plates, sheets and strips unhardened, whether vulcanised or not, and whether combined with any textile material or otherwise. | Twenty per cent <i>ad valorem</i> . |
| (3) Piping and tubing, of unhardened vulcanised rubber. | Fifteen per cent
<i>ad valorem</i> . |
| (4) Transmission, conveyor or elevator belts or belting, of vulcanised rubber. | Fifteen per cent <i>ad valorem</i> ." |
| (g) in Item No. 18, for the entry in the third column, the entry "Forty-five rupees per kilogram." shall be substituted; | |
| (h) in Item No. 18A, for the entries in the third column, against sub-items (1) and (2), the entries, "Six rupees and fifty paise per kilogram." and "One | |

rupee per kilogram." shall, respectively be substituted;

(i) in Item No. 22A, for the entries in the third column, against sub-items (i) and (ii), the entries "Three hundred and seventy-five rupees per metric tonne." and "One hundred and seventy-five rupees per metric tonne." shall, respectively, be substituted;

(j) in Item No. 27, for the entries in the third column against sub-items (a), (b), (bb), (c) and (d), the entries "Nine hundred and fifty rupees per metric tonne.", "One thousand four hundred and fifty rupees per metric tonne.", "Two thousand rupees per metric tonne", "Twenty per cent *ad valorem*." and "Twenty per cent *ad valorem*." shall, respectively, be substituted.

41. *Special duties of excise on certain goods.*—(1) When goods of the description mentioned in this section chargeable with a duty of excise under the Central Excises Act (as amended by this Act or any subsequent Central Act) read with any notification for the time being in force issued by the Central Government in relation to the duty so chargeable, are assessed to duty, there shall be levied and collected—

(a) as respects goods comprised in Items Nos. 6, 8, 9, 14D, 22A, 23A except sub-item (1) thereof, 23B, 28, 29, sub-items (2) and (3) of Item No. 31 and Item No. 32 of the First Schedule to the Central Excises Act, a special duty of excise equal to 10 per cent of the total amount so chargeable on such goods;

(b) as respects goods comprised in Items Nos. 2, 3(1), sub-items I, II (2) and II (3) of Item No. 4, Item Nos. 13, 14, 14F, 15, 15A, 15B, 16, 16A, 17, 18A (2), 21, 22, 23, 23A(1), 27, 30, 31 (1), 33, sub-items (1), (3a) and (4) of Item No. 34 and Item No. 37 of that Schedule, a special duty of excise equal to 20 per cent of the total amount so chargeable on such goods; and

(c) as respects goods comprised in Item Nos. 4 II (1), 18, 18A (1), 18B, 20, 29A, 33A, sub-items (2) and (3) of Item No. 34 and radiograms comprised in Item No. 37A of that Schedule, a special duty of excise equal to 33 1/3 per cent of the total amount so chargeable on such goods.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1968, except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 (10 of 1897), shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The duties of excise referred to in sub-section (1) in respect of the goods specified therein shall be in addition to the duties of excise chargeable on such goods under the Central Excises Act or any other law for the time being in force and such special duties shall be levied for purposes of the Union and the proceeds thereof shall not be distributed among the States.

(4) The provisions of the Central Excises Act and the rules made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the duties of excise leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of excise on such goods under that Act or those rules.

42. *Regulatory duties of excise.*—(1) With a view to regulating or bringing greater economy in consumption, there shall be levied and collected, with effect from such date, and at such rate as may be specified in this behalf by the Central Government by notification in the Official Gazette, on all or any of the goods mentioned in the First Schedule to the Central Excises Act as amended by this Act or any subsequent Central Act, a regulatory

duty of excise which shall not exceed 15 per cent of the value of the goods as determined in accordance with the provisions of section 4 of the Central Excises Act:

Provided that different dates and different rates may be specified by the Central Government for different kinds of goods.

(2) Sub-section (1) shall cease to have effect after the 15th day of May, 1968, except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 (10 of 1897), shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The duties of excise referred to in sub-section (1) in respect of the goods specified therein shall be in addition to the duties of excise chargeable on such goods under the Central Excises Act or any other law for the time being in force and such regulatory duties shall be levied for purposes of the Union and the proceeds thereof shall not be distributed among the States.

(4) The provisions of the Central Excises Act and the rules made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the regulatory duties of excise leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of excise on such goods under that Act or those rules.

(5) Every notification issued under sub-section (1) shall, as soon as may be after it is issued, be placed before each House of Parliament.

CHAPTER VI MISCELLANEOUS

43. *Amendment of Act 6 of 1898.*—In the First Schedule to the Indian Post Office Act, 1898,—

(a) for the sub-heading “Registered Newspapers” and entries thereunder, the following shall be substituted, namely:—

“Registered Newspapers	
For a weight not exceeding sixty grams	2 paise
For a weight exceeding sixty grams and not exceeding one hundred grams	5 paise
For a weight exceeding one hundred grams and not exceeding two hundred and fifty grams	10 paise
For every two hundred and fifty grams, or fraction thereof, exceeding two hundred and fifty grams	5 paise
In the case of more than one copy of the same issue of a registered newspaper being carried in the same packet—	
for a weight not exceeding one hundred grams	5 paise
for every additional one hundred and fifty grams, or fraction thereof, in excess of one hundred grams:	5 paise

Provided that such packet shall not be delivered at any addressee's residence but shall be given to a recognised agent at the Post Office.”;

(b) for the sub-heading “Parcels” and entries thereunder, the following shall be substituted, namely:—

“Parcels	
For a weight not exceeding four hundred grams	65 paise
For every four hundred grams or fraction thereof, exceeding four hundred grams	65 paise.”

44. *Amendment of Act 47 of 1961.*—In the Deposit Insurance Corporation Act, 1961, for section 30 the following section shall be substituted, namely:—

“30. *Income-tax.*—Notwithstanding anything contained in the Income-tax Act, 1961, (43 of 1961) the Corpora-

tion shall not be liable to pay any tax under that Act on any of its income, profits or gains for the accounting year during which the Corporation is established and for nine accounting years following that year.”.

45. *Certain amendments made in Act 52 of 1963 by Act 17 of 1966 to be given retrospective effect.*—Notwithstanding anything contained in any law for the time being in force or any notification issued thereunder, the amendments made in section 32 of the Unit Trust of India Act, 1963 by section 10 of the Unit Trust of India (Amendment) Act, 1966 shall be deemed to have been made with effect from the 1st day of April, 1964.

46. *Recovery of tax on income voluntarily disclosed.*—Notwithstanding anything contained in section 68 of the Finance Act, 1965 (10 of 1965)—

- any income-tax which is payable by a person on the amount of income declared by him under the provisions of sub-section (1) of that section but has not been paid within the period referred to therein (such tax being hereafter in this section referred to as the outstanding tax) shall be deemed to be tax due from the declarant on the date next following the expiry of the said period under a notice of demand issued under section 156 of the Income-tax Act, and the provisions of Chapter XV and Chapter XVII-D of, and the Second Schedule and the Third Schedule to, that Act shall, so far as may be, apply accordingly, subject to the modification that in section 231 of the said Act, references to one year shall be construed as references to two years; and
- the outstanding tax which is paid at any time after the expiry of the period referred to in sub-section (1) of the said section 68 or is recovered under the provisions of clause (a) shall, for the purposes of sub-section (6) of the said section 68, be deemed to be tax paid by the declarant under that section.

47. *Repeal.*—Section 2 and section 3 of the Finance Act, 1967 (12 of 1967) are hereby Repeal and shall be deemed never to have been enacted.

THE FIRST SCHEDULE

(See section 2)

PART I

INCOME-TAX AND SURCHARGES ON INCOME-TAX)

Paragraph A

In the case of every individual or Hindu undivided family or unregistered firm or other association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

Rates of income-tax

- where the total income does not exceed Rs. 5,000 5 per cent of the total income;
- where the total income exceeds Rs. 5,000 but does not exceed Rs. 10,000. Rs. 250 plus 10 per cent of the amount by which the total income exceeds Rs. 5,000;
- where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000. Rs. 750 plus 15 per cent of the amount by which the total income exceeds Rs. 10,000 ;

- (4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000. Rs. 1,500 plus 20 per cent of the amount by which the total income exceeds Rs. 15,000;
- (5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000. Rs. 2,500 plus 30 per cent of the amount by which the total income exceeds Rs. 20,000;
- (6) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000. Rs. 4,000 plus 40 per cent of the amount by which the total income exceeds Rs. 25,000;
- (7) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000. Rs. 6,000 plus 50 per cent of the amount by which the total income exceeds Rs. 30,000;
- (8) where the total income exceeds Rs. 50,000 but does not exceed Rs. 70,000. Rs. 16,000 plus 60 per cent of the amount by which the total income exceeds Rs. 50,000;
- (9) where the total income exceeds Rs. 70,000. Rs. 28,000 plus 65 per cent of the amount by which the total income exceeds Rs. 70,000;

Provided that for the purposes of this paragraph, in the case of a person, not being a non-resident—

(i) the income-tax shall be payable on a total income not exceeding the following limit, namely:—

(a) Rs. 7,000 in the case of every Hindu undivided family which as at the end of the previous year satisfies either of the following two conditions, namely:—

- (1) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or
- (2) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(b) Rs. 4,000 in every other case;

(ii) where such person is an individual or a Hindu undivided family, the income-tax computed at the rate hereinbefore specified shall be reduced by so much of the amount specified hereunder, as does not exceed that amount of income-tax so computed:

(a) Rs. 125 .. in the case of an unmarried individual;

(b) Rs. 200 .. in the case of a married individual who has no child mainly dependent on him or a Hindu undivided family which has no minor coparcener;

(c) Rs. 220 .. in the case of a married individual who has one child mainly dependent on him or a Hindu undivided family which has one minor coparcener mainly supported from the income of such family;

(d) Rs. 240 .. in the case of a married individual who has more than one child mainly dependent on him or a Hindu undivided family which has more than one minor coparcener mainly supported from the income of such family;

(iii) where the total income is twenty thousand rupees or less, the income-tax payable shall not exceed forty per cent of the amount by which the total income exceeds the limit specified in sub-clause (a) or, as the case may be, sub-clause (b) of clause (i) of this proviso.

Surcharges on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this paragraph shall be increased by the aggregate of surcharges for purposes of the Union calculated as specified hereunder:—

(a) where—

(i) in the case of an individual or a Hindu undivided family, the amount of unearned income, not being income by way of interest on any security of the Central or State Government or income received in respect of units from the Unit Trust of India, established under the Unit Trust of India Act, 1963 (52 of 1963), included in the total income, or

(ii) in any other case, the amount of unearned income included in the total income,

exceeds Rs. 15,000,

a surcharge calculated on the difference between the amount of income-tax computed in respect of the income referred to in sub-clause (i) or, as the case may be, sub-clause (ii), if such income had been the total income and the amount of income-tax computed in respect of an income of Rs. 15,000 if it had been the total income, at the following rate, namely:—

(1) where the amount of the difference does not exceed Rs. 14,500. 20 per cent of the amount of such difference;

(2) where the amount of the difference exceeds Rs. 14,500. Rs. 2,900 plus 25 per cent of the amount by which the difference aforesaid exceeds Rs. 14,500;

(b) where—

(i) in the case of an individual or a Hindu undivided family, the earned income and income by way of interest on any security of the Central or State Government and income received in respect of units from the Unit Trust of India, established under the Unit Trust of India Act, 1963 (52 of 1963), included in the total income, or

(ii) in any other case, the earned income included in the total income,

exceeds Rs. 1 lakh,

a surcharge calculated on the amount of the difference between the income-tax computed in respect of the income referred to in sub-clause (i) or as the case may be, sub-clause (ii), if such income had been the total income and the income-tax computed in respect of a total income of Rs. 1 lakh, at the following rate, namely:—

(1) where the amount of the difference does not exceed Rs. 65,000. 5 per cent of the amount of such difference;

(2) where the amount of the difference exceeds Rs. 65,000 but does not exceed Rs. 1,30,000. Rs. 3,250 plus 10 per cent of the amount by which the difference aforesaid exceeds Rs. 65,000;

(3) where the amount of the difference exceeds Rs. 1,30,000. Rs. 9,750 plus 15 per cent of the amount by which the difference aforesaid exceeds Rs. 1,30,000; and

(c) a special surcharge calculated at the rate of ten per cent on the aggregate of the following amount namely:—

- (i) the amount of income-tax computed in accordance with the preceding provisions of this Paragraph; and
- (ii) the aggregate of the amounts of the surcharges calculated in accordance with clause (a) and clause (b) of this sub-paragraph.

Paragraph B

In the case of every co-operative society,—

Rate of income-tax

- (1) where the total income does not exceed Rs. 5,000 5 per cent of the total income;
- (2) where the total income exceeds Rs. 5,000 but does not exceed Rs. 10,000 Rs. 250 plus 10 per cent of the amount by which the total income exceeds Rs. 5,000;
- (3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000 Rs. 750 plus 15 per cent of the amount by which the total income exceeds Rs. 10,000;
- (4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000 Rs. 1,500 plus 20 per cent of the amount by which the total income exceeds Rs. 15,000;
- (5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000 Rs. 2,500 plus 25 per cent of the amount by which the total income exceeds Rs. 20,000;
- (6) where the total income exceeds Rs. 25,000 Rs. 3,750 plus 41 per cent of the amount by which the total income exceeds Rs. 25,000;

Provided that—

- (i) no income-tax shall be payable on a total income not exceeding Rs. 4,000; and
- (ii) where the total income is twenty thousand rupees or less, the income-tax payable shall not exceed forty per cent of the amount by which the total income exceeds Rs. 4,000.

Surcharges on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by the aggregate of surcharges for purposes of the Union calculated as specified hereunder:—

- (a) where the total income exceeds Rs. 25,000 a surcharge calculated at the rate of 6½ per cent of the amount of the difference between the income-tax computed at the rates hereinbefore specified and the income-tax computed in respect of a total income of Rs. 25,000; and
- (b) a special surcharge calculated at the rates of ten per cent on the aggregate of the following amounts, namely:—
 - (i) the amount of income-tax computed at the rate hereinbefore specified; and
 - (ii) the amount of the surcharge calculated in accordance with clause (a) of this sub-paragraph.

Paragraph C

In the case of every registered firm,—

Rates of income-tax

- (1) where the total income Nil; does not exceed Rs. 25,000

- (2) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000 6 per cent of the amount by which the total income exceeds Rs. 25,000;
- (3) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000 Rs. 1,500 plus 8 per cent of the amount by which the total income exceeds Rs. 50,000;
- (4) where the total income exceeds Rs. 1,00,000 Rs. 5,500 plus 12 per cent of the amount by which the total income exceeds Rs. 1,00,000.

Surcharges on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by the aggregate of surcharges for purposes of the Union calculated as specified hereunder:—

- (a) in the case of a registered firm whose total income includes income derived from a profession carried on by it and the income so included is not less than fifty-one per cent of such total income, a surcharge calculated at the rate of ten per cent of the amount of income-tax computed at the rate hereinbefore specified;
- (b) in the case of any other registered firm, a surcharge calculated at the rate of twenty per cent of the amount of income-tax computed at the rate hereinbefore specified; and
- (c) a special surcharge calculated at the rate of ten per cent on the aggregate of the following amounts, namely:—
 - (i) the amount of income-tax computed at the rate hereinbefore specified; and
 - (ii) the amount of the surcharge calculated in accordance with clause (a), or, as the case may be, clause (b) of this sub-paragraph.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income 45 per cent

Surcharges on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by the aggregate of surcharges for purposes of the Union calculated as specified hereunder:—

- (a) a surcharge calculated at the rate of ten per cent of the amount of income-tax computed at the rate hereinbefore specified; and
- (b) a special surcharge calculated at the rate of ten per cent on the aggregate of the following amounts, namely:—
 - (i) the amount of income-tax computed at the rate hereinbefore specified; and
 - (ii) the amount of the surcharge calculated in accordance with clause (a) of this sub-paragraph.

Paragraph E

In the case of the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956),—

Rates of income-tax

- (i) on that part of its total income which consists of profits and gains from life insurance business 52.5 per cent.

- (ii) on the balance, if any, of the rate of income-tax applicable, in accordance with Paragraph F of this Part, to the total income of a domestic company which is a company in which the public are substantially interested.

Paragraph F

In the case of a company other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956),—

Rates of income-tax

I. In the case of a domestic company—

- (A) (1) where the company is a company in which the public are substantially interested,—
- (i) in a case where the total income does not exceed Rs. 25,000. 45 per cent of the total income;
 - (ii) in a case where the total income exceeds Rs. 25,000. 55 per cent of the total income;
- (2) where the company is not a company in which the public are substantially interested,—
- (i) in the case of an industrial company—
 - (1) on so much of the total income as does not exceed Rs. 10,00,000. 55 per cent;
 - (2) on the balance, if any, of the total income. 60 per cent;
 - (ii) in any other case. 65 per cent of the total income; and

(B) in addition, where the company is—

- (i) a company in which the public are substantially interested, or
 - (ii) a company as is referred to in clause (iii) of sub-section (2) or clause (a) or clause (b) of sub-section (4) of section 104 of the Income-tax Act, or
 - (iii) such a company as is exempt from the operation of section 104 of the said Act by a notification issued under the provisions of sub-section (3) of that section,
- on so much of the total income as does not exceed the relevant amount of distributions of dividends by the company. 7.5 per cent;

Provided that the income-tax payable by a domestic company, being a company in which the public are substantially interested, the total income of which exceeds Rs. 25,000, shall not exceed the aggregate of—

- (a) the income-tax which would have been payable by the company if its total income had been Rs. 25,000 (the income of Rs. 25,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company; and
- (b) 80 per cent of the amount by which its total income exceeds Rs. 25,000.

Explanation 1.—In clause (B), the expression “the relevant amount of distributions of dividends” means the aggregate of the following amounts, namely:—

- (a) the amount, if any, by which the “relevant amount of distributions of dividends” by the company as computed in accordance with *Explanation 1* to item I of Paragraph F of Part I of the First Schedule to the Finance Act, 1966 (13 of 1966) exceeds its total income (reduced by the amount of capital gains, if any, relating to capital assets other than short-term capital assets included therein) assessable for the assessment year commencing on the 1st day of April, 1966; and
- (b) so much of the amount of the dividends, other than dividends on preference shares, declared or distributed by the company, during the previous year as exceeds ten per cent of its paid-up equity share capital as on the 1st day of the previous year.

Explanation 2.—For the purposes of clause (B), where a part of the income of a company is not included in its total income because it is agricultural income, the amount declared or distributed as dividends (other than dividends on preference shares) shall be deemed to be such proportion thereof as the sum specified in clause (a) bears to the sum specified in clause (b), such sums being—

- (a) the average amount of the total income of the company of the five previous years in which it has been in receipt of taxable income immediately preceding the relevant previous year; and
- (b) the average amount of the total profits and gains (excluding capital receipts) of the company of the five previous years referred to in clause (a) reduced by such allowances as may be admissible under the Income-tax Act but which have not been taken into account by the company in its profit and loss accounts for the said five previous years.

Explanation 3.—For the removal of doubts, it is hereby declared that where any dividends were declared by the company before the commencement of the previous year and are distributed by it during that year, the amount of such dividends shall not be included in the amount of dividends referred to in clause (b) of *Explanation 1*.

II. In the case of a company other than a domestic company—

- (i) on so much of the total income as consists of—
 - (a) royalties received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1961, or
 - (b) fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964,

and where such agreement has, 50 per cent;
in either case, been approved by
the Central Government

(ii) on the balance, if any, of the 70 per cent.
total income.

PART II

Rates for deduction of tax at source in certain cases

In every case in which under the provisions of sections 193, 194, 194A and 195 of the Income-tax Act, tax is to be deducted at the rates in force, deduction shall be made from the income subject to deduction, at the following rates:—

1	Income-tax	
	Rate of income-tax 2	Rate of surcharge 4
1. In the case of a person other than a company—		
(a) where the person is resident—		
(i) on income by way of interest other than "Interest on Securities"	10 per cent	Nil
(ii) on any other income (excluding interest payable on a tax free security)	18 per cent	4 per cent
(b) where the person is not resident in India—		
(i) on the whole income (excluding interest payable on a tax free security).	Income-tax at 25 per cent and surcharge at 8 per cent of the amount of the income or income-tax and surcharges on income-tax in respect of the income at the rates prescribed in Paragraph A of Part III of this Schedule, if such income had been the total income, whichever is higher;	
(ii) on the income by way of interest payable on a tax free security	12.5 per cent	4 per cent
2. In the case of a company—		
(a) where the company is a domestic company—		
(i) on income by way of interest other than "Interest on Securities"	20 per cent	Nil
(ii) on any other income (excluding interest payable on a tax free security)	22 per cent	Nil

1	2	3
(b) where the company is not a domestic company—		
(i) on the income by way of dividends payable by an Indian company as is referred to in the proviso to section 85A of the Income-tax Act	14 per cent	Nil
(ii) on the income by way of dividends payable by any domestic company other than a company referred to in (i) herein above	24.5 per cent	Nil
(iii) on the income by way of royalties payable by an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1961, and which has been approved by the Central Government	50 per cent	Nil
(iv) on the income by way of fees payable by an Indian concern for rendering technical services in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964 and which has been approved by the Central Government	50 per cent	Nil
(v) on the income by way of interest payable on a tax free security	44 per cent	Nil
(vi) on any other income	70 per cent	Nil

PART III

Rates for calculating or charging income-tax in certain cases, deducting income-tax from income chargeable under the head "Salaries" and computing "advance tax".

In cases in which income-tax has to be calculated under the first proviso to sub-section (5) of section 132 of the Income-tax Act or charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 or deducted under section 192 of the said Act from income chargeable under the head "Salaries" or in which the

"advance tax" payable under Chapter XVII-C of the said Act has to be computed, at the rate or rates in force, such income-tax or, as the case may be, "advance tax" shall be so calculated, charged, deducted or computed at the following rate or rates:—

Paragraph A

In the case of every individual or Hindu undivided family or unregistered firm or other association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

Rates of income-tax

- | | |
|--|---|
| (1) where the total income does not exceed Rs. 5,000 | 5 per cent of the total income; |
| (2) where the total income exceeds Rs. 5,000 but does not exceed Rs. 10,000 | Rs. 250 plus 10 per cent of the amount by which the total income exceeds Rs. 5,000; |
| (3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000 | Rs. 750 plus 15 per cent of the amount by which the total income exceeds Rs. 10,000; |
| (4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000 | Rs. 1,500 plus 20 per cent of the amount by which the total income exceeds Rs. 15,000; |
| (5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000 | Rs. 2,500 plus 30 per cent of the amount by which the total income exceeds Rs. 20,000; |
| (6) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000 | Rs. 4,000 plus 40 per cent of the amount by which the total income exceeds Rs. 25,000; |
| (7) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000 | Rs. 6,000 plus 50 per cent of the amount by which the total income exceeds Rs. 30,000; |
| (8) where the total income exceeds Rs. 50,000 but does not exceed Rs. 70,000 | Rs. 16,000 plus 60 per cent of the amount by which the total income exceeds Rs. 50,000; |
| (9) where the total income exceeds Rs. 70,000 | Rs. 28,000 plus 65 per cent of the amount by which the total income exceeds Rs. 70,000; |

Provided that for the purposes of this Paragraph, in the case of a person, not being a non-resident—

- (i) no income-tax shall be payable on a total income not exceeding the following limit, namely:—

- (a) Rs. 7,000 in the case of every Hindu undivided family which as at the end of the previous year satisfies either of the following two conditions, namely:—
- (1) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or
 - (2) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(b) Rs. 4,000 in every other case;

- (ii) where such person is an individual whose total income does not exceed Rs. 10,000 and who has, during the previous year, incurred any expenditure for the maintenance of any one or more of his parents or grand-parents mainly dependent on him, the income-tax computed at the rate hereinbefore specified shall be reduced by so much of the amount specified hereunder, as does not exceed the amount of income-tax so computed:—

- (a) Rs. 145 .. in the case of an unmarried individual;
- (b) Rs. 220 .. in the case of a married individual who has no child mainly dependent on him;
- (c) Rs. 240 .. in the case of a married individual who has one child mainly dependent on him;
- (d) Rs. 260 .. in the case of a married individual who has more than one child mainly dependent on him;

(iii) where such person is an individual not falling under clause (ii) or a Hindu undivided family, the income-tax computed at the rate hereinbefore specified shall be reduced by so much of the amount specified hereunder, as does not exceed the amount of income-tax so computed:—

- (a) Rs. 125 .. in the case of an unmarried individual;
- (b) Rs. 200 .. in the case of a married individual who has no child mainly dependent on him or a Hindu undivided family which has no minor coparcener;
- (c) Rs. 220 .. in the case of a married individual who has one child mainly dependent on him or a Hindu undivided family which has one minor coparcener mainly supported from the income of such family;
- (d) Rs. 240 .. in the case of a married individual who has more than one child mainly dependent on him or a Hindu undivided family which has more than one minor coparcener mainly supported from the income of such family;

(iv) (A) where such person is an individual whose total income exceeds Rs. 10,000 but does not exceed Rs. 20,000, and who has, during the previous year, incurred any expenditure for the maintenance of any one or more of his parents or grand-parents mainly dependent on him, the income-tax payable by him in respect of such total income shall not exceed the aggregate of—

- (1) the income-tax which would have been payable by the individual if his total income had been Rs. 10,000, and
- (2) 40 per cent of the amount by which the total income of the individual exceeds Rs. 10,000;

(B) where such person is not an individual whose case falls under sub-clause (A) and the total income of such person does not exceed Rs. 20,000 the income-tax payable thereon shall not exceed 40 per cent of the amount by which the total income exceeds the limit specified in sub-clause (a) or, as the case may be, sub-clause (b) of clause (i) of this proviso.

Explanation.—For the purposes of clause (ii) and sub-clause (A) of clause (iv) of this proviso, a parent or grand-parent of an individual shall not be treated as being mainly dependent on such individual if the income of the parent or, as the case may be, the grand-parent from all sources in respect of the previous year relevant to the assessment year exceeds one thousand rupees.

Surcharges on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by the aggregate of surcharges for purposes of the Union calculated as specified hereunder:—

(a) where—

(i) in the case of an individual or Hindu undivided family, the amount of unearned income, not being income by way of interest on any security of the Central or State Government or income received in respect of units from the Unit Trust of India, established under the Unit Trust of India Act, 1963 (52 of 1963), included in the total income, or

(ii) in any other case, the amount of unearned income included in the total income,

exceeds Rs. 30,000, a surcharge calculated on the difference between the amount of income-tax computed in respect of the income referred to in sub-clause (i) or, as the case may be, sub-clause (ii), if such income had been the total income and the amount of income-tax computed in respect of an income of Rs. 30,000 if it had been the total income, at the following rate, namely:—

(1) where the amount of the difference does not exceed Rs. 10,000 20 per cent of the amount of such difference;

(2) where the amount of the difference exceeds Rs. 10,000 Rs. 2,000 plus 25 per cent of the amount by which the difference aforesaid exceeds Rs. 10,000;

(b) where—

(i) in the case of an individual or a Hindu undivided family, the earned income and income by way of interest on any security of the Central or State Government and income received in respect of units from the Unit Trust of India, established under the Unit Trust of India Act, 1963 (52 of 1963), included in the total income, or

(ii) in any other case, the earned income included in the total income,

exceeds Rs. 1 lakh, a surcharge calculated on the amount of the difference between the income-tax computed in respect of the income referred to in sub-clause (i) or, as the case may be, sub-clause (ii), if such income had been the total income and the income-tax computed in respect of a total income of Rs. 1 lakh, at the following rate, namely:—

(1) where the amount of the difference does not exceed Rs. 65,000 5 per cent of the amount of such difference;

(2) where the amount of the difference exceeds Rs. 65,000 but does not exceed Rs. 1,30,000 Rs. 3,250 plus 10 per cent of the amount by which the difference aforesaid exceeds Rs. 65,000;

(3) where the amount of the difference exceeds Rs. 1,30,000 Rs. 9,750 plus 15 per cent of the amount by which the difference aforesaid exceeds Rs. 1,30,000; and

(c) a special surcharge calculated at the rate of ten per cent on the aggregate of the following amounts, namely:—

(i) the amount of income-tax computed in accordance with the preceding provisions of this Paragraph; and

(ii) the aggregate of the amounts of the surcharges calculated in accordance with clause (a) and clause (b) of this sub-paragraph.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

(1) where the total income does not exceed Rs. 5,000 5 per cent of the total income;

(2) where the total income exceeds Rs. 5,000 but does not exceed Rs. 10,000 Rs. 250 plus 10 per cent of the amount of which the total income exceeds Rs. 5,000;

(3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000 Rs. 750 plus 15 per cent of the amount by which the total income exceeds Rs. 10,000;

(4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000 Rs. 1,500 plus 20 per cent of the amount by which the total income exceeds Rs. 15,000;

(5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000 Rs. 2,500 plus 25 per cent of the amount by which the total income exceeds Rs. 20,000;

(6) where the total income exceeds Rs. 25,000 Rs. 3,750 plus 41 per cent of the amount by which the total income exceeds Rs. 25,000;

Provided that—

(i) no income-tax shall be payable on a total income not exceeding Rs. 4,000; and

(ii) where the total income is twenty thousand rupees or less, the income-tax, payable shall not exceed forty per cent of the amount by which the total income exceeds Rs. 4,000.

Surcharges on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by the aggregate of surcharges for purposes of the Union calculated as specified hereunder:—

(a) where the total income exceeds Rs. 25,000, a surcharge calculated at the rate of $6\frac{1}{2}$ per cent of the amount of the difference between the income-tax computed at the rates hereinbefore specified and the income-tax computed in respect of a total income of Rs. 25,000; and

(b) a special surcharge calculated at the rate of ten per cent on the aggregate of the following amounts, namely:—

(i) the amount of income-tax computed at the rate hereinbefore specified; and

(ii) the amount of the surcharge calculated in accordance with clause (a) of this sub-paragraph.

Paragraph C

In the case of every registered firm,—

Rates of Income-tax

- | | |
|--|--|
| (1) where the total income does not exceed Rs. 25,000 | <i>Nil</i> ; |
| (2) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000 | 6 per cent of the amount by which the total income exceeds Rs. 25,000; |
| (3) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000 | Rs. 1,500 plus 8 per cent of the amount by which the total income exceeds Rs. 50,000; |
| (4) where the total income exceeds Rs. 1,00,000 | Rs. 5,500 plus 12 per cent of the amount by which the total income exceeds Rs. 1,00,000. |

Surcharges on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by the aggregate of surcharges for purposes of the Union calculated as specified hereunder:—

- (a) in the case of a registered firm whose total income includes income derived from a profession carried on by it and the income so included is not less than fifty-one per cent of such total income, a surcharge calculated at the rate of ten per cent of the amount of income-tax computed at the rate hereinbefore specified;
- (b) in the case of any other registered firm, a surcharge calculated at the rate of twenty per cent of the amount of income-tax computed at the rate hereinbefore specified; and
- (c) a special surcharge calculated at the rate of ten per cent on the aggregate of the following amounts, namely:—
 - (i) the amount of income-tax computed at the rate hereinbefore specified; and
 - (ii) the amount of the surcharge calculated in accordance with clause (a), or, as the case may be, clause (b) of this sub-paragraph.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income. 45 per cent.

Surcharges on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by the aggregate of surcharges for purposes of the Union calculated as specified hereunder:—

- (a) a surcharge calculated at the rate of ten per cent of the amount of income-tax computed at the rate hereinbefore specified; and
- (b) a special surcharge calculated at the rate of ten per cent on the aggregate of the following amounts, namely:—
 - (i) the amount of income-tax computed at the rate hereinbefore specified; and
 - (ii) the amount of the surcharge calculated in accordance with clause (a) of this sub-paragraph.

Paragraph E

In the case of the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956),—

Rates of income-tax

- (i) on that part of its total income which consists of profits and gains from life insurance business 52.5 per cent;
- (ii) on the balance, if any, of the total income the rate of income-tax applicable, in accordance with Paragraph F of this Part, to the total income of a domestic company which is a company in which the public are substantially interested.

Paragraph F

In the case of a company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956),—

(Rates of income-tax)

I. In the case of a domestic company—

- (A) (1) where the company is a company in which the public are substantially interested,—
 - (i) in a case where the total income does not exceed Rs. 50,000 45 per cent of the total income;
 - (ii) in a case where the total income exceeds Rs. 50,000 55 per cent of the total income;
- (2) where the company is not a company in which the public are substantially interested,—
 - (i) in the case of an industrial company—
 - (1) on so much of the total income as does not exceed Rs. 10,00,000 55 per cent;
 - (2) on the balance, if any, of the total income 60 per cent;
 - (ii) in any other case 65 per cent of the total income; and

(B) in addition, where the company is—

- (i) a company in which the public are substantially interested, or
- (ii) a company as is referred to in clause (iii) of sub-section (2) or clause (a) or clause (b) of sub-section (4) of section 104 of the Income-tax Act, or
- (iii) such a company as is exempt from the operation of section 104 of the said Act by a notification issued under the provisions of sub-section (3) of that section, on so much of the total income as does not exceed the relevant amount of distributions of dividends by the company 7.5 per cent:

Provided that the income-tax payable by a domestic company, being a company in which the public are

substantially interested, the total income of which exceeds Rs. 50,000, shall not exceed the aggregate of—

- (a) the income-tax which would have been payable by the company if its total income had been Rs. 50,000 (the income of Rs. 50,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and
- (b) 80 per cent of the amount by which its total income exceeds Rs. 50,000.

Explanation 1.—In clause (B), the expression “the relevant amount of distributions of dividends” means the aggregate of the following amounts, namely:—

- (a) the amount, if any, by which the “relevant amount of distributions of dividends” by the company as computed in accordance with *Explanation 1* to item I of Paragraph F of Part I of the First Schedule to the Finance Act, 1966 (13 of 1966) exceeds its total income (reduced by the amount of capital gains, if any, relating to capital assets other than short-term capital assets included therein) assessable for the assessment year commencing on the 1st day of April, 1966; and
- (b) so much of the amount of the dividends, other than dividends on preference shares, declared or distributed by the company during the previous year as exceeds ten per cent of its paid-up equity share capital as on the 1st day of the previous year.

Explanation 2.—For the purposes of clause (B), where a part of the income of a company is not included in its total income because it is agricultural income, the amount declared or distributed as dividends (other than dividends on preference shares) shall be deemed to be such proportion thereof as the sum specified in clause (a) bears to the sum specified in clause (b), such sums being—

- (a) the average amount of the total income of the company of the five previous years in which it has been in receipt of taxable income immediately preceding the relevant previous year; and
- (b) the average amount of the total profits and gains (excluding capital receipts) of the company of the five previous years referred to in clause (a) reduced by such allowances as may be admissible under the Income-tax Act but which have not been taken into account by the company in its profit and loss accounts for the said five previous years.

Explanation 3.—For the removal of doubts, it is hereby declared that where any dividends were declared by the company before the commencement of the previous year and are distributed by it during that year, the amount of such dividends shall not be included in the amount of dividends referred to in clause (b) of *Explanation 1*.

II. In the case of a company other than a domestic company;—

- (i) on so much of the total income as consists of,—

- (a) royalties received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1961, or
- (b) fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964, and where such agreement has, in either case, been approved by the Central Government

- (ii) on the balance, if any, of the 70 per cent. total income.

THE SECOND SCHEDULE

(See section 3)

Rates of annuity deposits

- (i) In the case of any depositor Nil whose total income does not exceed Rs. 15,000
- (ii) In the case of any depositor 5 per cent of the whose total income exceeds adjusted total income: Rs. 15,000 but does not exceed Rs. 20,000

Provided that the annuity deposit to be made shall in no case exceed half the amount by which the total income exceeds Rs. 15,000.

- (iii) In the case of a depositor $7\frac{1}{2}$ per cent. of the whose total income exceeds adjusted total income: Rs. 20,000 but does not exceed Rs. 40,000

Provided that the annuity deposit to be made shall in no case exceed the aggregate of the following sums, namely:—

- (a) an amount calculated at five per cent on so much of the adjusted total income as does not exceed Rs. 20,000.
- (b) one-half of the amount by which the total income exceeds Rs. 20,000.

- (iv) In the case of a depositor 10 per cent of the whose total income exceeds adjusted total income: Rs. 40,000 but does not exceed Rs. 70,000

Provided that the annuity deposit to be made shall in no case exceed the aggregate of the following sums, namely:—

- (a) an amount calculated at seven and a half per cent on so much of the adjusted total income as does not exceed Rs. 40,000;
- (b) one-half of the amount by which the total income exceeds Rs. 40,000.

- (v) In the case of a depositor $12\frac{1}{2}$ per cent of the whose total income exceeds adjusted total income: Rs. 70,000

Provided that the annuity deposit to be made shall in no case exceed the aggregate of the following sums, namely:—

- (a) an amount calculated at ten per cent on so much of the adjusted total income as does not exceed Rs. 70,000;
- (b) one-half of the amount by which the total income exceeds Rs. 70,000.

Explanation.—In this Schedule, “total income” means total income computed in the manner laid down in the Income-tax Act without making any allowance under section 280O of that Act.

THE THIRD SCHEDULE

(See section 33)

AMENDMENTS IN THE INCOME-TAX ACT

1. Section 10.—After clause (28), insert—
“(29) in the case of an authority constituted under any law for the time being in force for the marketing of commodities, any income derived from the letting of godowns or warehouses for storage, processing or facilitating the marketing of commodities.”
2. Section 32.—
(a) in sub-section (1), after clause (iv), insert—
“(v) in the case of any new building, the erection of which is completed after the 31st day of

March, 1967, where the building is owned by an Indian company and used by such company as a hotel and such hotel is for the time being approved in this behalf by the Central Government, a sum equal to twenty-five per cent of the actual cost of erection of the building to the assessee, in respect of the previous year in which the erection of the building is completed or, if such building is first brought into use as a hotel in the immediately succeeding previous year, then in respect of that previous year; but any such sum shall not be deductible in determining the written down value for the purposes of clause (ii).";

(b) in sub-section (2), after "clause (iv)," insert "or clause (v)".

3. Section 33

(a) for sub-section (1), substitute—

"(1) (a) In respect of a new ship or new machinery or plant (other than office appliances or road transport vehicles) which is owned by the assessee and is wholly used for the purposes of the business carried on by him, there shall, in accordance with and subject to the provisions of this section and of section 34, be allowed a deduction, in respect of the previous year in which the ship was acquired or the machinery or plant was installed or, if the ship, machinery or plant is first put to use in the immediately succeeding previous year, then, in respect of that previous year, a sum by way of development rebate as specified in clause (b).

(b) The sum referred to in clause (a) shall be—

(A) in the case of a ship, forty per cent of the actual cost thereof to the assessee;

(B) in the case of machinery or plant,—

(i) where the machinery or plant is installed for the purposes of business of construction, manufacture or production of any one or more of the articles of things specified in the list in the Fifth Schedule,—

(a) thirty-five per cent of the actual cost of the machinery or plant to the assessee, where it is installed before the 1st day of April, 1970, and

(b) twenty-five per cent of such cost where it is installed after the 31st day of March, 1970;

(ii) where the machinery or plant is installed after the 31st day of March, 1967, by an assessee being an Indian company in premises used by it as a hotel and such hotel is for the time being approved in this behalf by the Central Government—

(a) thirty-five per cent of the actual cost of the machinery or plant to the assessee, where it is installed before the 1st day of April, 1970, and

(b) twenty-five per cent of such cost where it is installed after the 31st day of March, 1970;

(iii) where the machinery or plant is installed after the 31st day of March, 1967, being an asset representing expenditure of a capital nature on scientific research re-

lated to the business carried on by the assessee,—

(a) thirty-five per cent of the actual cost of the machinery or plant to the assessee, where it is installed before the 1st day of April, 1970, and

(b) twenty-five per cent of such cost, where it is installed after the 31st day of March, 1970;

(iv) in any other case,—

(a) twenty per cent of the actual of the machinery or plant to the assessee, where it is installed before the 1st day of April, 1970, and

(b) fifteen per cent of such cost where it is installed after the 31st day of March, 1970.";

(b) in sub-section (2), for "[the total income for this purpose being computed without making any allowance under sub-section (1) or sub-section (1A) of this section or sub-section (1) of section 33A]", in both places, substitute—

"[the total income for this purpose being computed without making any allowance under sub-section (1) or sub-section (1A) of this section or sub-section (1) of section 33A or any deduction under Chapter VIA or section 280O]".

(c) in sub-section (6), add at the end—

"Provided that the provisions of this sub-section shall not apply in the case of an assessee being an Indian company, in respect of any machinery or plant installed by it in premises used by it as a hotel, where the hotel is for the time being approved in this behalf by the Central Government."

4. Section 33A.—In sub-section (2), for "[the total income for this purpose being computed after making the allowance under sub-section (1) or sub-section (1A) or clause (ii) of sub-section (2) of section 33 but without making any allowance under sub-section (1) of this section]", in both places, substitute—

"[the total income for this purpose being computed after deduction of the allowance under sub-section (1) or sub-section (1A) or clause (ii) of sub-section (2) of section 33, but without making any deduction under sub-section (1) of this section or any deduction under Chapter VIA or section 280O]".

5. Section 35.—In sub-section (2),—

(i) for clause (i); substitute—

"(i) in a case where such capital expenditure is incurred before the 1st day of April, 1967, one-fifth of the capital expenditure incurred in any previous year shall be deducted for that previous year; and the balance of the expenditure shall be deducted in equal instalments for each of the four immediately succeeding previous years;

(ia) in a case where such capital expenditure is incurred after the 31st day of March, 1967, the whole of such capital expenditure incurred in any previous year shall be deducted for that previous year;"

(ii) in clause (ii), after "an asset representing expenditure of a capital nature", insert "incurred before the 1st day of April, 1967";

(iii) in clause (v), for "where the asset is used", substitute "where the asset mentioned in clause (ii) is used".

6. *Section 36.*—In clause (viii) of sub-section (1), for “of the total income carried to such reserve account”, substitute “of the total income (computed before making any deduction under Chapter VIA) carried to such reserve account”.

7. *Section 41.*—In sub-section (3), after “the total amount of the deductions made under clause (i)”, insert “or, as the case may be, the amount of the deduction under clause (ia)”.

8. *Section 43.*—For the proviso to clause (1), substitute—

“Provided that where the actual cost of an asset, being a motor car which is acquired by the assessee after the 31st day of March, 1967 and is used otherwise than in a business of running it on hire for tourists, exceeds twenty-five thousand rupees, the excess of the actual cost over such amount shall be ignored, and the actual cost thereof shall be taken to be twenty-five thousand rupees.”

9. *Section 66.*—Omit “and any amount in respect of which the assessee is entitled to a deduction from the amount of income-tax on his total income with which he is chargeable for any assessment year in accordance with, and to the extent provided in sections 87, 87A and 88”.

10. *Section 71.*—For sub-section (2), substitute—

(2) Where in respect of any assessment year the net result of the computation under any head of income other than “Capital gains” is a loss and the assessee has income assessable under the head “Capital gains”, such loss may, subject to the provisions of this Chapter, be set off—

(i) against the income, if any, of the assessee assessable for that assessment year under any head including income assessable under the head “Capital gains” (whether relating to short-term capital assets or any other capital assets), or

(ii) if the assessee so desires, only against his income, if any, under the head “Capital gains”, in so far as such income relates to short-term capital assets, and income under any other head.

(3) Where in respect of any assessment year the net result of the computation under sections 48 to 55 in respect of capital gains relating to short-term capital assets is a loss and the assessee has income assessable under any head of income other than “Capital gains”, the assessee shall, subject to the provisions of this Chapter, be entitled to have such loss set off against the income aforesaid.”

11. *Section 72.*—In sub-section (1), after “Capital gains”, insert “relating to capital assets other than short-term capital assets”.

12. *Section 74.*—In sub-clause (i) of clause (a) of sub-section (1), for “as relates to short-term capital assets”, substitute “relating to short-term capital assets as cannot be or is not wholly set off against income under any head in accordance with the provisions of section 71”.

13. For *Chapter VIA*, substitute—

‘CHAPTER VIA

DEDUCTIONS TO BE MADE IN COMPUTING TOTAL INCOME

A.—General

80A. *Deductions to be made in computing total income.*—(1) In computing the total income of an assessee,

there shall be allowed from his gross total income, in accordance with and subject to the provisions of this Chapter, the deductions specified in sections 80C to 80T.

(2) The aggregate amount of the deductions under this Chapter shall not, in any case, exceed the gross total income of the assessee.

(3) Where, in computing the total income of a firm, association of persons or body of individuals, any deduction is admissible under section 80G or section 80H or section 80J or section 80K or section 80L or section 80S or section 80T, no deduction under the same section shall be made in computing the total income of a partner of the firm or, as the case may be, of a member of the association of persons or body of individuals in relation to the share of such partner in the income of the firm or the share of such member in the income of the associations of persons or body of individuals.

80B. *Definitions.*—In this Chapter—

(1) “displaced person” means a person who, on account of the setting up of the Dominions of India and Pakistan, or on account of civil disturbances or the fear of such disturbances in any area now forming part of East Pakistan, has—

(a) in the case of a person having a place of residence in the district of Noakhali or of Comilla, on or after the 1st day of October, 1946, and

(b) in the case of a person having a place of residence in any other area now forming part of East Pakistan, on or after the 1st day of June, 1947,

left, or been displaced from, his place of residence in such area and who has been subsequently residing in India;

(2) “domestic company” means an Indian company, or any other company which, in respect of its income liable to tax under this Act, has made the prescribed arrangements for the declaration and payment, within India, of the dividends (including dividends on preference shares) payable out of such income;

(3) “earned income” and “unearned income” shall have the meanings respectively assigned to them in the Finance Act of the relevant year;

(4) “foreign company” means a company which is not a domestic company as defined in clause (2);

(5) “gross total income” means the total income computed in accordance with the provisions of this Act, before making any deduction under this Chapter or under section 280O and without applying the provisions of section 64;

(6) “income”, in relation to a handicapped dependant, means the aggregate income of such person from all sources;

(7) “priority industry” means the business of generation or distribution of electricity or any other form of power or of construction, manufacture or production of any one or more of the articles or things specified in the list in the Fifth Schedule or the business of any hotel where such business is carried on by an Indian company and the hotel is for the time being approved in this behalf by the Central Government;

(8) “relative”, in relation to an individual, means—

(a) the mother, father, husband or wife of the individual, or

- (b) a son, daughter, brother, sister, nephew or niece of the individual, or
 - (c) a grand-son or grand-daughter of the individual, or
 - (d) the spouse of any person referred to in sub-clause (b);
- (9) "repatriate" means a person of Indian origin who was ordinarily residing in a foreign country and who, on leaving, or being forced to leave, such country, has—
- (a) in the case of a person leaving Mozambique, on or after the 25th day of June, 1962, or
 - (b) in the case of a person leaving Burma, on or after the 1st day of June, 1963, or
 - (c) in the case of a person leaving Ceylon, on or after the 1st day of November, 1964, or
 - (d) in the case of a person leaving any other country, on or after such date or dates as may be notified in this behalf by the Central Government in the Official Gazette,

returned to India with the intention of permanently residing therein.

Explanation.—A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

B.—deductions in respect of certain payments

80C. *Deduction in respect of life insurance premia, contributions to Provident fund, etc.*—(1) In computing the total income of an assessee there shall be deducted, in accordance with and subject to the provisions of this section, an amount equal to sixty per cent, of the first five thousand rupees of the aggregate of the sums specified in sub-section (2) and fifty per cent of the balance, if any, of such aggregate.

(2) The sums referred to in sub-section (1) shall be the following, namely:—

(i) where the assessee is an individual, any sums paid in the previous year by the assessee out of his income chargeable to tax—

(i) to effect or to keep in force an insurance on the life of the assessee or on the life of the wife or husband of the assessee; or

(ii) to effect or to keep in force a contract for a deferred annuity on the life of the assessee or on the life of the wife or husband of the assessee, notwithstanding that such contract contains a provision for the exercise by the insured of an option to receive a cash payment in lieu of the payment of the annuity; or

(iii) as a contribution to any provident fund to which the Provident Funds Act, 1925 (19 of 1925) applies;

(b) where the assessee is a Hindu undivided family, any sums paid in the previous year by the assessee out of its income chargeable to tax, to effect or to keep in force an insurance on the life of any male member of the family or of the wife of any such member.

Explanation.—For the purposes of sub-clause (i) of clause (a) and clause (b) of this sub-section, an insurance on the life of any person referred to therein shall include—

- (i) a policy of insurance on the life of such person securing the payment of a specified sum on the stipulated date of maturity of the policy, if such person is alive on such date, notwithstanding that the policy of insurance provides only for the return of premiums paid (with or without any interest thereon) in the

event of such person dying before the said stipulated date;

- (ii) a policy of insurance effected by a person for the benefit of a minor (being the assessee, or a male member of a Hindu undivided family where such family is the assessee) with the object of enabling the minor, after he has attained majority, to secure an insurance on his own life by adopting the policy and on his being alive on a date (after such adoption) specified in the policy in this behalf;
- (c) any sum deducted in the previous year from the salary payable by or on behalf of the Government to any individual being a sum deducted in accordance with the conditions of his service, for the purpose of securing to him a deferred annuity or making provision for his wife or children, in so far as the sum so deducted does not exceed one-fifth of the salary;
- (d) if the assessee is an employee participating in a recognised provident fund, his own contributions to his individual account in the fund in the previous year, in so far as the aggregate of such contributions does not exceed one-fifth of his salary in that previous year or eight thousand rupees, whichever is less.

Explanation.—In clause (d) of this sub-section, "salary" shall have the meaning assigned to it in clause (h) of rule 2 of Part A of the Fourth Schedule;

(e) if the assessee is an employee participating in an approved superannuation fund, any sum paid in the previous year by him by way of contribution, towards the superannuation fund;

(f) where the assessee is an individual, any sums deposited, in the previous year by the assessee out of his income chargeable to tax, in a ten-year account or a fifteen year account under the Post Office Savings Bank (Cumulative Time Deposits) Rules, 1959, as amended from time to time.

(3) The provisions of clauses (a) and (b) of sub-section (2) shall apply only to so much of any premium or other payment made on a policy other than a contract for a deferred annuity as is not in excess of ten per cent of the actual capital sum assured.

Explanation.—In calculating any such capital sum, no account shall be taken—

(i) of the value of any premiums agreed to be returned, or

(ii) of any benefit by way of bonus or otherwise over and above the sum actually assured, which is to be or may be received under the policy by any person.

(4) The aggregate of the sums referred to in sub-section (2), which qualifies for the purposes of computing the deduction under sub-section (1) shall not exceed—

- (i) in the case of an individual being an author, playwright, artist, musician or actor, such percentage of his gross total income, or such amount, as may be prescribed;

Provided that such individual has effected an insurance referred to in sub-clause (i) of clause (a) of sub-section (2) prior to the 1st day of March, 1964 and has paid any sum in the previous year to keep in force such insurance;

- (ii) in the case of any other individual [including an author, playwright, artist, musician or actor, to whom the provisions of clause (i) do not apply],

thirty per cent of his gross total income, or fifteen thousand rupees, whichever is less;

(iii) in the case of a Hindu undivided family, thirty per cent of its gross total income, or thirty thousand rupees, whichever is less.

(5) If the gross total income of the assessee includes earned income chargeable under any head, the deduction under sub-section (1) shall, to the extent possible, be made in computing such earned income and, as to the balance, if any, in computing, any other income; and other income; and if there is no earned income, the deduction shall be made in computing any other income under any head.

80D. *Deduction in respect of medical treatment, etc., of handicapped dependants.*—(1) Where an assessee who is resident in India, being an individual or Hindu undivided family, who has, during the previous year, incurred out of his or its income chargeable to income-tax, any expenditure for the medical treatment (including nursing) of a person who—

(a) is a relative of the individual, or, as the case may be, is a member of the Hindu undivided family, and is not dependant on any person other than such individual or Hindu undivided family for his support or maintenance, and

(b) is suffering from a physical or mental disability which is certified by a registered medical practitioner to have the effect of reducing considerably such persons's capacity for normal work or engaging in a gainful employment (hereafter in this section referred to as handicapped dependant),

the assessee shall, in accordance with and subject to the provisions of this section, be allowed a deduction of the amount specified in sub-section (2) in the computation of his total income in respect of the previous year.

(2) The deduction under sub-section (1) shall be—

(i) in a case where the handicapped dependant has, for a period of one hundred and eighty-two days or more during the previous year, been admitted in a hospital or a nursing home or a medical institution or in such other institution as may be notified by the Central Government in the Official Gazette to be an institution for the care of handicapped persons, and fees and charges for his medical treatment (including nursing) are payable to such hospital or nursing home or medical or other institution, as the case may be, a sum of two thousand four hundred rupees, or

(ii) in any other case, a sum of six hundred rupees, as reduced, in either case, by an amount equal to the income, if any, of the handicapped dependant in respect of the previous year:

Provided that where the assessee has, during the previous year, incurred expenditure on more than one handicapped dependant, the deduction under sub-section (1) shall be allowed only with referred to one such handicapped dependant as may be chosen by the assessee.

(3) If the gross total income of the assessee includes earned income chargeable under any head, the deduction under sub-section (1) shall, to the extent possible, be made in computing such earned income and, as to the balance, if any, in computing any other income; and if there is no earned income, the deduction shall be made in computing any other income under any head.

80E. *Deduction in respect of payment for securing retirement annuities.*—(1) Where, in the case of an assessee, being an individual who is a citizen of India and is resident

in India, his share in the income of a registered firm which renders professional service as chartered accountant, solicitor, lawyer, architect, or such other professional service as may be notified in this behalf by the Central Government in the Official Gazette, is chargeable to tax and he has paid out of his income chargeable to tax a premium by whatever name called) in any previous year under an annuity contract for the time being approved by the Commissioner as having for its main object the provision for the individual of a life annuity in old age (hereafter in this section referred to as qualifying premium), then the assessee shall in accordance with and subject to the provisions of this section, be allowed a deduction of the amount of the qualifying premium in the computation of his total income in respect of the previous year:

Provided that the amount which may be so deducted shall not exceed the sum of five thousand rupees, or one-tenth of his gross total income, whichever is less:

Provided further that any annuity payable to the individual shall be deemed to be his earned income to the extent to which it is attributable to the amount in respect of which deduction has been allowed under this section and chargeable to tax accordingly.

(2) Subject to sub-section (3) and any rules made by the Board in this behalf, the Commissioner shall not approve a contract unless he is satisfied that it does not—

(a) provide for the payment during the life of the individual of any sums except sums payable by way of annuity to the individual; or

(b) provide for the annuity payable to the individual to commence before the attains the age of fifty-eight or after he attains the age of sixty-eight; or

(c) provide for the payment of any other sums except sums payable by way of annuity to the individual's widow or widower and any sums which, in the event of no annuity becoming payable either to the individual or to a widow or widower of the individual, are payable to the individual's legal representative by way of return or premiums, by way of reasonable interest on premiums and by way of bonus out of profits; or

(d) provide for the payment of annuity, if any payable to a widow or widower of the individual to be of a greater annual amount than that paid or payable to the individual; or

(e) provide for the payment of any annuity otherwise than for the life of the annuitant, and that it does include a provision that no annuity payable under it shall be capable in whole or in part of surrender, commutation or assignment.

(3) The Commissioner may, if he thinks fit, and subject to any conditions the Board may, by rule, prescribe and subject to any conditions he thinks proper to impose, approve a contract, notwithstanding that the contract provides for one or more of the following matters, that is to say,—

(a) for the payment after the individual's death of an annuity to a dependant other than the widow or widower of the individual;

(b) for the payment to the individual of an annuity commencing before he attains the age of fifty-eight, if the annuity is payable on his becoming incapable through infirmity of mind or body of being actively engaged in his profession or any profession of a similar nature for which he is trained or fitted;

(c) for the annuity payable to any person to continue for a specified term (not exceeding ten years), notwithstanding his death within that term;

(d) in the case of an annuity which is to continue for such specified term, for the annuity to be assignable by will.

(4) The foregoing provisions of this section shall apply in relation to a contribution (by whatever name called) to a fund approved by the Commissioner as they apply in relation to any premium under an annuity contract so approved, provided the fund satisfies also the conditions set out below and any other conditions which the Board may, by rule, prescribe, namely:—

(a) the fund shall be a fund established in India under an irrevocable trust for the benefit of individuals engaged in any profession referred to in sub-section (1);

(b) the fund shall have for its sole purpose the provision of annuities for individuals engaged in such profession on attaining a specified age or on their becoming incapacitated prior to attaining such age, or for the widow, children or dependants of such persons on their death;

(c) all annuities, pensions and other benefits granted from the fund shall be payable only in India.

(5) The Commissioner may, at any time, after giving a reasonable opportunity of showing cause against the proposed withdrawal to the persons by and to whom premiums are payable under any contract for the time being approved under this section, or to the trustees of any fund so approved, withdraw the approval.

(6) Notwithstanding anything contained in sub-sections (1) and (4), no deduction under this section shall be allowed in the case of any individual—

(i) whose gross total income includes unearned income of more than ten thousand rupees; or

(ii) who is entitled to any pension or is participating in any pension or superannuation scheme.

(7) The deduction under this section shall be made in computing the earned income of the assessee included in his gross total income, so, however, that the amount of deduction shall not in any case exceed the amount of the income computed under the head "Profits and gains of business or profession", included in the gross total income.

(8) Any annuity payable under an approved contract referred to in sub-section (1) or from any fund referred to in sub-section (4), to a person other than the individual who pays the premium or makes the contribution and any interest on premiums or bouns out of profits payable to such person, shall be deemed to be his unearned income to the extent it is attributable to the amount of deduction allowed under sub-section (1) and chargeable to tax accordingly.

(9) Where any payment by way of annuity or otherwise is made by a person to whom premiums or contributions are payable under sub-section (1) or sub-section (4), such person shall, subject to any rules made by the Board in this behalf deduct from the total amount so paid during any financial year, tax at such rate or rates in force in that year as would be applicable to such amount, if it were the total income and shall pay the amount so deducted to the credit of the Central Government within the prescribed time and in such manner as the Board may direct and the provisions of section 201 shall, so far as may be, apply to such person if he does not deduct, or after deducting fails to pay, such tax.

(10) Where a deduction under this section is claimed and allowed for any assessment year in respect of any payment, relief shall not be given in respect of it under any other provision of this Act for the same or a later assessment year nor (in the case of a payment under an annuity contract) in respect of any other premium or consideration for an annuity under the same contract.

(11) (a) The Board may, by notification in the Official Gazette, make rules for carrying out the purposes of this section.

(b) In particular and without prejudice to the generality of the foregoing power, such rules may—

(i) prescribe the statements and other information to be submitted along with an application for approval;

(ii) prescribe the returns, statements, particulars or information which the Income-tax Officer may require from a person by and to whom premiums or contributions are payable under this section;

(iii) provide for the assessment by way of penalty of any consideration received by an individual for an assignment of or creation, of a charge upon, any annuity or other sum receivable by him under any contract or from any fund approved for the time being under this section; and

(iv) provide for securing such further control over the approval granted under this section and administration of funds approved under this section as it may deem requisite.

80F. *Deduction in respect of educational expenses in certain cases.*—(1) Where an individual, being a resident, who is not a Citizen of India, has expended any sum in the previous year out of his income chargeable to tax for the full time education of his child wholly or mainly dependent on him and who is not more than twenty-one years of age, at any University, college, school or other educational institution situate in a country outside India, he shall, in accordance with and subject to the provisions of this section, be allowed a deduction of the amount specified in sub-section (2) in the computation of his total income.

(2) The amount referred to in sub-section (1) shall be—

(i) in the case of an individual who has one such child, one thousand five hundred rupees; and

(ii) in the case of an individual who has more than one such child, three thousand rupees.

(3) If the gross total income of the assessee includes earned income chargeable under any head, the deduction under sub-section (1) shall to the extent possible, be made in computing such earned income and as to the balance, if any, in computing any other income; and if there is no earned income, the deduction shall be made in computing any other income under any head.

80G. *Deduction in respect of donations to certain funds, charitable institutions, etc.*—(1) In computing the total income of an assessee, there shall be deducted, in accordance with and subject to the provisions of this section, an amount equal to,—

(a) where the assessee is a company, fifty per cent, and

(b) in the case of any other assessee, fifty-five per cent, of the aggregated of the sums specified in sub-section (2).

(2) The sums referred to in sub-section (1) shall be the following, namely:—

(a) any sums paid by the assessee in the previous year as donations to—

the National Defence Fund set up by the Central Government; or,
the Jawaharlal Nehru Memorial Fund referred to in the Deed of Declaration of Trust adopted by the National Committee at its meeting held on the 17th day of August, 1964; or

- (iii) the Prime Minister's Drought Relief Fund; or
- (iv) any other fund or any institution to which this section applies; or
- (v) the Government or any local authority, to be utilised for any charitable purpose;

(b) any sums paid by the assessee in the previous year as donations for the renovation or repair of any such temple, mosque, gurdwara, church or other place as is notified by the Central Government in the Official Gazette to be of historic, archaeological or artistic importance or to be a place of public worship of renown throughout any State or States.

(3) No deduction shall be allowed under sub-section (1) if the aggregate of the sums referred to in sub-section (2) is less than two hundred and fifty rupees.

(4) The deduction under sub-section (1) shall not be allowed in respect of such part of the aggregate of the sums referred to in sub-clauses (iv) and (v) of clause (a) and in clause (b) of sub-section (2) as exceeds ten per cent of the gross total income (as reduced by any portion thereof on which income-tax is not payable under any provision of this Act and by any amount in respect of which the assessee is entitled to a deduction under any other provision of this Chapter), or two hundred thousand rupees, whichever is less:

Provided that where such aggregate includes any sums referred to in clause (b) of sub-section (2) and such aggregate exceeds the limit of two hundred thousand rupees specified in this sub-section, then such limit shall be raised to cover that portion of the donation which is equal to the difference between such aggregate and the said limit, so, however, that the limit so raised shall not exceed ten per cent of the assessee's gross total income as reduced as aforesaid, or five hundred thousand rupees, whichever is less.

(5) This section applies to donations to any institution or fund referred to in sub-clause (iv) of clause (a) of sub-section (2), only if it is established in India for a charitable purpose and if it fulfils the following conditions, namely:—

- (i) where the institution or fund derives any income, such income would not be liable to inclusion in its total income under the provisions of sections 11 and 12 or clause (22) of section 10;
- (ii) the instrument under which the institution or fund is constituted does not, or the rules governing the institution or fund do not, contain any provision for the transfer or application at any time of the whole or any part of the income or assets of the institution or fund for any purpose other than a charitable purpose;
- (iii) the institution or fund is not expressed to be for the benefit of any particular religious community or caste;
- (iv) the institution or fund maintains regular accounts of its receipts and expenditure; and
- (v) the institution or fund is either constituted as a public charitable trust or is registered under the Societies Registration Act, 1860 (21 of 1860), or under any law corresponding to that Act in force in any part of India or under section 25 of

the Companies Act, 1956 (1 of 1956), or is a University established by law, or is any other educational institution recognised by the Government or by a University established by law, or affiliated to any University established by law or is an institution financed wholly or in part by the Government or a local authority.

Explanation 1.—An institution or fund established for the benefit of scheduled castes, backward classes, scheduled tribes or of women and children shall not be deemed to be an institution or fund expressed to be for the benefit of a religious community or caste within the meaning of clause (iii) of sub-section (5).

Explanation 2.—For the removal of doubts, it is hereby declared that a deduction to which the assessee is entitled in respect of any donation made to an institution or fund to which sub-section (5) applies shall not be affected merely by reason of the fact that subsequent to the donation any part of the income of the institution or fund has become chargeable to tax due to non-compliance with any of the provisions of section 11.

Explanation 3.—In this section, "charitable purpose" does not include any purpose the whole or substantially the whole of which is of a religious nature.

(6) If the gross total income of the assessee includes earned income chargeable under any head, the deduction under sub-section (1) shall, to the extent possible, be made in computing such earned income and, as to the balance, if any, in computing any other income; and if there is no earned income, the deduction shall be made in computing any other income under any head.

C.—Deductions in respect of certain incomes

80H. *Deduction in case of new industrial undertakings employing displaced persons, etc.*—(1) Where the gross total income of any assessee includes any profits and gains derived from any industrial undertaking to which this section applies, there shall be allowed, in accordance with and subject to the provisions of this section, a deduction from such profits and gains of an amount equal to fifty per cent thereof in computing the total income of the assessee, so, however, that the amount of the deduction under this section shall not, in any case, exceed one hundred thousand rupees.

(2) This section applies to any industrial undertaking which fulfils all the following conditions, namely:—

- (i) it is not formed by the splitting up, or reconstruction, of a business already in existence;
- (ii) it is not formed by the transfer to a new business of a building, machinery or plant previously used for any purpose;
- (iii) it has begun or begins to manufacture or produce articles in any part of India at any time within a period of three years next following the 1st day of April, 1967;
- (iv) it employs, on every working day throughout the previous year, forty or more workers in a manufacturing process (whether carried on with or without the aid of power); and
- (v) it employs displaced persons or repatriates or members of the families of displaced persons or repatriates (all such employees being, hereinafter, referred to as rehabilitated employees) and the daily average number of rehabilitated employees, as certified by the prescribed authority, is not less than sixty per cent of the daily average number of all the persons employed in the undertaking throughout the previous year.

Explanation 1.—"Member of the family", in relation to any person who is a displaced person or repatriate, means any member of the family of such person if such member was, before his employment in the undertaking, dependent on such person.

Explanation 2.—"Daily average number", in relation to rehabilitated employees or, as the case may be, all the persons employed in the undertaking, shall be taken to be the number arrived at by dividing the aggregate of the number of rehabilitated employees or, as the case may be, the total number of persons employed in the undertaking on each working day of a month by the total number of working days in that month.

(3) The provisions of this section shall, in relation to an industrial undertaking, apply to the assessment for the assessment year relevant to the previous year in which the undertaking begins to manufacture or produce articles, and the nine assessment years immediately succeeding.

80I. Deduction in respect of profits and gains from priority Industries in the case of certain companies.—(1) In the case of a company to which this section applies, where the gross total income includes any profits and gains attributable to any priority industry, there shall be allowed, in accordance with and subject to the provisions of this section, a deduction from such profits and gains of an amount equal to eight per cent thereof, in computing the total income of the company.

(2) This section applies to a domestic company, save in a case where such company is a company which is referred to in section 108 and has a gross total income of fifty thousand rupees or less.

(3) Where a company to which this section applies is entitled also to the deduction under section 80H, the deduction under sub-section (1) of this section shall be allowed with reference to the amount of the profits and gains attributable to the priority industry or industries as reduced by the deduction under section 80H in relation to such profits and gains.

80J. Deduction in respect of profits and gains from newly established industrial undertakings or ships or hotel business in certain cases.—(1) Where the gross total income of an assessee includes any profits and gains derived from an industrial undertaking or a ship or the business of a hotel, to which this section applies, there shall in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction from such profits and gains (reduced by the aggregate of the deduction if any, admissible to the assessee under section 80H and section 80I) of so much of the amount thereof as does not exceed the amount calculated at the rate of six per cent per annum on the capital employed in the industrial undertaking or ship or business of the hotel, as the case may be, computed in the prescribed manner in respect of the previous year relevant to the assessment year (the amount calculated as aforesaid being hereafter in this section, referred to as the relevant amount of capital employed during the previous year).

(2) The deduction specified in sub-section (1) shall be allowed in computing the total income in respect of the assessment year relevant to the previous year in which the industrial undertaking begins to manufacture or produce articles or to operate its cold storage plant or plants or the ship is first brought into use or the business of the hotel starts functioning (such assessment year being hereafter, in this section, referred to as the initial assessment year) and each of the four assessment years immediately succeeding the initial assessment year:

Provided that in the case of an assessee, being a co-operative society, the provisions of this sub-section shall have effect as if for the words "four assessment years", the words "six assessment years" had been substituted.

(3) Where the amount of the profits and gains derived from the industrial undertaking or ship or business of the hotel, as the case may be, included in the total income (as computed without applying the provisions of section 64 and before making any deduction under Chapter VIA or section 280O) in respect of the previous year relevant to an assessment year commencing on or after the 1st day of April, 1967 (not being an assessment year prior to initial assessment year or subsequent to the fourth assessment year as reckoned from the end of the initial assessment year) falls short of the relevant amount of capital employed during the previous year, the amount of such shortfall, or, where there are no such profits and gains, an amount equal to the relevant amount of capital employed during the previous year (such amount, in either case, being hereafter, in this section, referred to as deficiency) shall be carried forward and set off against the profits and gains referred to in sub-section (1) [as computed after allowing the deductions, if any, admissible under section 80H, section 80I and the said sub-section (1)] in respect of the previous year relevant to the next following assessment year and, if there are no such profits and gains for that assessment year, or where the deficiency exceeds such profits and gains, the whole or balance of the deficiency, as the case may be, shall be set off against such profits and gains for the next following assessment year and if and so far as such deficiency cannot be wholly so set off, it shall be set off against such profits and gains assessable for the next following assessment year and so on:

Provided that—

- (i) in no case shall the deficiency or any part thereof be carried forward beyond the seventh assessment year as reckoned from the end of the initial assessment year;
- (ii) where there is more than one deficiency and each such deficiency relates to a different assessment year, the deficiency which relates to an earlier assessment year shall be set off under this sub-section before setting off the deficiency in relation to a later assessment year:

Provided further that in the case of an assessee being a co-operative society, the provisions of this sub-section shall have effect as if for the words "fourth assessment year", the words "sixth assessment year" had been substituted.

(4) This section applies to any industrial undertaking which fulfils all the following conditions, namely:—

- (i) it is not formed by the splitting up, or the reconstruction, of a business already in existence;
- (ii) it is not formed by the transfer to a new business of a building (not being a building taken on rent or lease), machinery or plant previously used for any purpose;
- (iii) it manufactures or produces articles, or operates one or more cold storage plant or plants, in any part of India, and has begun or begins to manufacture or produce articles or to operate such plant or plants, at any time within the period of twenty-three years next following the 1st day of April, 1948, or such further period as the Central Government may, by notification in the Official Gazette, specify with reference to any particular industrial undertaking;

- (iv) in a case where the industrial undertaking manufactures or produces articles, the undertaking employs ten or more workers in a manufacturing process carried on with the aid of power, or employs twenty or more workers in a manufacturing process carried on without the aid of power:

Provided that the condition in clause (i) shall not apply in respect of any industrial undertaking which is formed as a result of the re-establishment, reconstruction or revival by the assessee of the business of any such industrial undertaking as is referred to in section 33B, in the circumstances and within the period specified in that section.

(5) This section applies to any ship, where all the following conditions are fulfilled, namely:—

- (i) it is owned by an Indian company and is wholly used for the purposes of the business carried on by it;
 - (ii) it was not, previous to the date of its acquisition by the Indian company, owned and used in Indian territorial waters by a person resident in India; and
 - (iii) it is brought into use by the Indian company at any time within a period of twenty-three years next following the 1st day of April, 1948.
- (6) This section applies to the business of any hotel, where all the following conditions are fulfilled, namely:—
- (a) the business of the hotel starts functioning on or after the 1st day of April, 1961, and is not formed by the splitting up, or the reconstruction, of a business already in existence or by the transfer to a new business of a building previously used as a hotel or of any machinery or plant previously used for any purpose;
 - (b) the business of the hotel is owned and carried on by a company registered in India with a paid-up capital of not less than five hundred thousand rupees;
 - (c) the hotel has such number and types of guest rooms and provides such amenities as may be prescribed having regard to the population and the tourist importance of the place in which the hotel is located; and
 - (d) the hotel is for the time being approved for the purposes of this sub-section by the Central Government.

Explanation.—Where—

- (a) in the case of an industrial undertaking, any building, machinery or plant, or any part thereof previously used for any purpose, or
 - (b) in the case of the business of a hotel, any building, or any part thereof, previously used as a hotel, or any machinery or plant, or any part thereof, previously used for any purpose,
- is, in either case, transferred to a new business, and the total value of the building, machinery or plant or part so transferred does not exceed twenty per cent of the total value of the building, machinery or plant used in the business, then, for the purpose of clause (ii) of sub-section (4) and clause (a) of sub-section (6), the condition specified therein shall be deemed to have been complied with and the total value of the building, machinery or plant or part so transferred shall not be taken into account in computing the capital employed in the industrial undertaking or the business of the hotel.

(7) The Central Government may, after making such inquiry as it may think fit, direct, by notification in the Official Gazette, that the exemption conferred by

this section shall not apply to any class of industrial undertakings with effect from such date as it may specify in the notification.

80K. Deduction in respect of dividends attributable to profits and gains from new industrial undertakings or ships or hotel business.—Where the gross total income of an assessee, being the holder of any share or shares in a company, includes any income by way of dividends paid or deemed to have been paid to him by the company in respect of such share or shares, there shall, subject to any rules that may be made by the Board in this behalf, be allowed, in computing his total income, a deduction from such income by way of dividends of an amount equal to such part thereof as is attributable to the profits and gains derived by the company from an industrial undertaking or ship or the business of a hotel, on which no tax is payable by the company under this Act for any assessment year commencing prior to the 1st day of April, 1968, or in respect of which the company is entitled to a deduction under section 80J.

80L. Deduction in respect of dividends in certain cases.—

(1) Where in the case of any assessee, the amount of his income by way of dividends included in his gross total income does not exceed five hundred rupees, there shall, in accordance with and subject to the provisions of this section, be deducted, in computing the total income of the assessee, the whole of the income by way of dividends from an Indian company or Indian companies included in the gross total income.

(2) In a case where the assessee is entitled also to the deduction under section 80K, in relation to the whole or any part of the income by way of dividends referred to in sub-section (1), the deduction under sub-section (1) shall be allowed in respect of such income as reduced by the deduction under section 80K.

80M. Deduction in respect of certain inter-corporate dividends.—(1) Where the gross total income of an assessee being a company includes any income by way of dividends received by it from a domestic company, there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction from such income by way of dividends of an amount equal to—

(a) where the assessee is a foreign company—

(i) in respect of such income by way of dividends received by it from an Indian company which is not such a company as is referred to in section 108 and which is mainly engaged in a priority industry

80 per cent of such income;

(ii) in respect of such income by way of dividends other than the dividends referred to in sub-clause (i)

65 per cent of such income;

(b) where the assessee is a domestic company—

in respect of any such income by way of dividends

60 per cent of such income.

Explanation.—For the purposes of this section, a company shall be deemed to be mainly engaged in a priority industry if the income attributable to any such industry or industries included in its gross total income for the previous year is not less than fifty-one per cent of such gross total income.

(2) Where a company to which this section applies is entitled also to the deduction under section 80K or section 80L, the deduction under sub-section (1) of this section shall be allowed in respect of income by way of dividends referred to therein as reduced by any such income in relation to which the company is entitled to a deduction under section 80K or section 80L.

80N. Deduction in respect of dividends received from certain foreign companies.—Where shares in a foreign company have been allotted to an assessee being an Indian company in consideration of any patent, invention, model, design, secret formula or process, or similar property right, or information concerning industrial, commercial or scientific knowledge, experience or skill made available or provided or agreed to be made available or provided to the foreign company by the assessee, or in consideration of technical services rendered or agreed to be rendered to the foreign company by the assessee, under an agreement approved by the Central Government in this behalf before the 1st day of October of the relevant assessment year, and any income by way of dividend on such shares is included in the gross total income of the assessee, there shall be allowed a deduction from such income of an amount equal to sixty per cent thereof, in computing the total income of the assessee.

80O. Deduction in respect of royalties, etc., received from certain foreign companies.—Where the gross total income of an assessee being an Indian company includes any income by way of royalty, commission, fees or any similar payment received by it from a foreign company in consideration for the use of any patent, invention, model, design, secret formula or process, or similar property right, or information concerning industrial, commercial or scientific knowledge, experience or skill made available or provided or agreed to be made available or provided to the foreign company by the assessee, or in consideration of technical services rendered or agreed to be rendered to the foreign company by the assessee, under an agreement approved by the Central Government in this behalf before the 1st day of October of the relevant assessment year, there shall be allowed a deduction from such income of an amount equal to sixty per cent thereof, in computing the total income of the assessee.

80P. Deduction in respect of income of co-operative societies.—(1) Where, in the case of an assessee being a co-operative society, the gross total income includes any income referred to in sub-section (2), there shall be deducted, in accordance with and subject to the provisions of this section, the sums specified in sub-section (2), in computing the total income of the assessee.

(2) The sums referred to in sub-section (1) shall be the following, namely:—

(a) in the case of a co-operative society engaged in—

- (i) carrying on the business of banking or providing credit facilities to its members, or
- (ii) a cottage industry, or
- (iii) the marketing of the agricultural produce of its members, or
- (iv) the purchase of agricultural implements, seeds, live-stock or other articles intended for agriculture for the purpose of supplying them to its members, or
- (v) the processing, without the aid of power, of the agricultural produce of its members,

the whole of the amount of profits and gains of business attributable to any one or more of such activities;

(b) in the case of a co-operative society, being a primary society engaged in supplying milk raised by

its members to a federal milk co-operative society, the whole of the amount of profits and gains of such business;

- (c) in the case of a co-operative society engaged in activities other than those specified in clause (a) or clause (b) [either independently of, or in addition to, all or any of the activities so specified], so much of its profits and gains attributable to such activities as does not exceed fifteen thousand rupees;
- (d) in respect of any income by way of interest or dividends derived by the co-operative society from its investments with any other co-operative society, the whole of such income;
- (e) in respect of any income derived by the co-operative society from the letting of godowns or warehouses for storage, processing or facilitating the marketing of commodities, the whole of such income;
- (f) in the case of a co-operative society, not being a housing society or an urban consumers' society or a society carrying on transport business or a society engaged in the performance of any manufacturing operations with the aid of power, where the gross total income does not exceed twenty thousand rupees, the amount of any income by way of interest on securities chargeable under section 18 or any income from house property chargeable under section 22.

Explanation.—For the purposes of this section, an "urban consumers' co-operative society" means a society for the benefit of the consumers within the limits of a municipal corporation, municipality, municipal committee, notified area committee, town area or cantonment.

(3) In a case where the assessee is entitled also to the deduction under section 80H or section 80J, the deduction under sub-section (1) of this section, in relation to the sums specified in clause (a) or clause (b) or clause (c) of sub-section (2), shall be allowed with reference to the income, if any, as referred to in those clauses included in the gross total income as reduced by the deductions under section 80H and section 80J.

(4) Nothing contained in this section shall apply to a co-operative society carrying on insurance business in respect of the profits and gains of that business computed in accordance with section 44.

80Q. Deduction in respect of dividends from co-operative society.—Where the gross total income of an assessee who is a member of a co-operative society includes any income by way of dividends received by him from the society, the whole of such income shall be allowed as a deduction in computing his total income.

80R. Deduction in respect of remuneration from certain foreign sources in the case of professors, teachers, etc.—Where the gross total income of an individual who is a citizen of India includes any remuneration received by him outside India from any University or other educational institution established outside India or such other association or body established outside India as may be notified in this behalf by the Central Government in the Official Gazette, for any service rendered by him during his stay outside India in his capacity as a professor, teacher or research worker in such University, institution, association or body, there shall be allowed a deduction from such remuneration of an amount equal to fifty per cent thereof, in computing the total income of the individual:

Provided that where the individual renders continuous service outside India in such University, institution, association or body for a period exceeding thirty-six months, no deduction under this section shall be allowed in respect of the remuneration for such service relating to any period after the expiry of the thirty-six months aforesaid.

80S. *Deduction in respect of compensation for termination of managing agency, etc., in the case of assessee other than companies.*—Where the gross total income of an assessee not being a company includes any income by way of compensation or other payment which is chargeable as the profits and gains of business or profession in accordance with the provisions of clause (ii) of section 28, there shall be allowed, in computing the total income of the assessee, a deduction from such income of an amount equal to twenty-five per cent thereof, so, however, that the amount of the deduction under this section shall not, in any case, exceed one hundred thousand rupees.

80T. *Deduction in respect of long-term capital gains in the case of assessee other than companies.*—Where the gross total income of an assessee not being a company includes any income chargeable under the head "Capital gains" relating to capital assets other than short-term capital assets (such income being, hereinafter, referred to as long-term capital gains), there shall be allowed, in computing the total income of the assessee, a deduction from such income of an amount equal to,—

(a) in a case where the gross total income does not exceed ten thousand rupees or where the long-term capital gains do not exceed five thousand rupees, the whole of such long-term capital gains;

(b) in any other case, five thousand rupees as increased by a sum equal to—

(i) forty-five per cent of the amount by which the long-term capital gains relating to capital assets, being buildings or lands, or any rights in buildings or lands, exceed five thousand rupees;

(ii) sixty-five per cent of the amount by which the long-term capital gains relating to any other capital assets exceed five thousand rupees:

Provided that in a case where the long-term capital gains relate to buildings or lands, or any rights in buildings or lands, as well as to other assets, the sum referred to in sub-clause (ii) of clause (b) shall be taken to be—

(A) where the amount of the long-term capital gains relating to the capital assets mentioned in sub-clause (i) is less than five thousand rupees, sixty-five per cent of the amount by which the long-term capital gains relating to any other capital assets exceed the difference between five thousand rupees and the amount of the long term capital gains relating to the capital assets mentioned in sub-clause (i); and

(B) where the amount of the long-term capital gains relating to the capital assets mentioned in sub-clause (i) is equal to or more than five thousand rupees, sixty-five per cent of the long-term capital gains relating to any other capital assets.

14. Omit sections 81, 82, 83, 84, 85, 85A, 85B and 85C.

15. Chapter VIII.—

(a) For "REBATES AND RELIEFS", substitute "RELIEF IN RESPECT OF INCOME-TAX";

(b) Omit "A.—Rebate of income-tax", sections 87, 87A and 88, and "B.—Relief for income-tax".

16. Section 104.—In the *Explanation* to sub-section (4), for "included in its total income for the relevant previous year", substitute "included in its gross total income for the relevant previous year".

17. Section 109.—

(a) For "For the purposes of sections 104, 105 and 107A", substitute "For the purposes of sections 104, 105 and 107A and this section";

(b) in clause (i),—

(i) for "total income of a company", substitute "gross total income of a company";

(ii) for sub-clause (c), substitute—

"(c) any sum with reference to which a deduction is allowable to the company, under the provisions of section 80G";

(iii) for sub-clause (d), substitute—

"(d) losses under the head "Capital gains" relating to capital assets other than short-term capital assets";

(iv) in sub-clause (h), for "included in the total income", substitute "included in the gross total income";

(c) in clause (ii), for "total income", substitute "gross total income";

(d) in clause (iii), for "total income", in both places, substitute "gross total income";

(e) in clause (iii), for "total income", in all places, substitute "gross total income";

(f) after clause (iii), insert—

"(iv) "gross total income" means the total income computed in accordance with the provisions of this Act before making any deduction under Chapter VIA."

18. Chapter XII.—

(a) Omit section 112;

(b) in section 112A,—

(i) in clause (b), omit "plus";

(ii) omit clause (c);

(iii) in *Explanation* 2, for "sections 112, 114 and 193", substitute "section 193";

(c) omit section 114.

19. Section 197.—For sub-section (3), substitute—

"(3) Where the principal officer of a company considers that, by reason of the provisions of section 80 K, the whole or any portion of the dividend referred to in section 194 will be deductible in computing the total income of the recipient, he may, before paying the dividend to the shareholder or issuing any cheque or warrant in respect thereof, make an application to the Income-tax Officer to determine the appropriate proportion of the dividend to be deducted under the provisions of section 80K; and on such determination by the Income-tax Officer no tax shall be deducted on such proportionate amount."

20. Section 236.—In *Explanation* 2,—

(a) for "the total income assessed for that year", substitute "the total income (as computed before making any deduction under Chapter VIA) assessed for that year";

- (b) in clause (i), for "the said total income", substitute "its total income";
- (c) for clause (iii), substitute—
 "(iii) any sum with reference to which a deduction is allowable to the company under the provisions of section 80G, and";
- (d) in clause (a), for "total income", substitute "total income (as computed before making any deduction under Chapter VIA)".

21. *Section 280B.*—In clause (1),—

- (a) in sub-clause (b) (v), omit "and";
- (b) after sub-clause (b) (vi), insert—
 "(vii) any income arising outside India in a country the laws of which prohibit or restrict the remittance of money to India";

22. *Section 280X.*—In the proviso to sub-section (1),—

- (i) in clause (a), for "seventy years", substitute "sixty years";
- (ii) in clause (b), for "rupees", substitute "rupees; or";
- (iii) after clause (b), insert—
 "(c) the annuity deposit required to be made does not exceed one hundred rupees; or
 (d) the deficiency does not exceed an amount equal to ten per cent of the annuity deposit required to be made or one hundred rupees, whichever is higher."

23. *Section 295.*—In clause (e) of sub-section (2), for "under clause (i) of sub-section (3) of section 87 or clause (i) of sub-section (4) of section 80A, as the case may be", substitute "under clause (i) of sub-section (4) of section 80C".

24. *Fourth Schedule.*—In rule 7 of Part A, for "section 80A or as the case may be, to a deduction from the amount of income-tax with which he is chargeable on his total income of an amount of income-tax determined in accordance with section 87", substitute "section 80C".

25. *Fifth Schedule.*—For "[See sections 33 (1) (iii) (c), 80E and 85A]", substitute "[See sections 33 (1) (b) (B) (i) and 80B (7)]".

Simla-2, the 21st November, 1970

No. 12-22/70-LR.—The Foreign Exchange Regulation (Amendment) Ordinance, 1970, promulgated by the President of India, and published in the Gazette of India Extraordinary, Part II, Section I, is hereby republished in the Himachal Pradesh Government Rajpatra for the information of general public.

JOSEPH DINA NATH,
Under Secretary (Judicial).

GOVERNMENT OF INDIA
MINISTRY OF LAW
(Legislative Department)

New Delhi, the 20th September, 1970/Bhadra 29, 1892 (Saka)

THE FOREIGN EXCHANGE REGULATION
(AMENDMENT) ORDINANCE, 1970

No. 5 OF 1970

Promulgated by the President in the Twenty-first Year of the Republic of India.
An Ordinance further to amend the Foreign Exchange Regulation Act, 1942.

WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

1. *Short title and commencement.*—(1) This Ordinance may be called the Foreign Exchange Regulation (Amendment) Ordinance, 1970.

(2) It shall come into force at once.

2. *Act 7 of 1947 to be temporarily amended.*—During the period of operation of this Ordinance, the Foreign Exchange Regulation Act, 1947 (hereinafter referred to as the principal Act) shall have effect subject to the amendment specified in section 3.

3. *Amendment of section 19G.*—In section 19G of the principal Act, the following *Explanation* shall be inserted at the end, namely:—

"*Explanation.*—In computing the period of one year during which a document (hereafter in this *Explanation* referred to as the said document) may be retained under this section, in any case where by reason of an injunction or order of any court (whether such injunction or order is in relation to the said document or is in relation to any other document reference to which would be necessary for examining or using the said document),—

- (a) the said document could not be examined fully for the purpose of determining whether it would be evidence of the contravention of any of the provisions of this Act or of any rule, direction or order made thereunder, or
- (b) the said document could not be used for commencing any proceedings under section 23, or
- (c) the proceedings under section 23 could not be commenced,

the time of the continuance of the injunction or order, the day on which it was issued or made and the day on which it was withdrawn, shall be excluded."

V. V. GIRI,
President.

N. D. P. NAMBOODIRIPAD,
Joint Secretary to the Govt. of India.

Simla-2, the 11th August, 1972

No. 11-34/72-LR.—The following Ordinances promulgated by the President of India and published in the Gazette of India, Extraordinary, Part II, Section I, are hereby republished in the Himachal Pradesh Government Rajpatra for the information of general public:—

1. The Indian Iron and Steel Company (Taking over of Management) Ordinance, 1972 (6 of 1972).
2. The Income-tax (Amendment) Ordinance, 1972 (7 of 1972).

B. D. SHARMA,
Secretary.

THE INDIAN IRON AND STEEL COMPANY
(TAKING OVER OF MANAGEMENT)
ORDINANCE, 1972

(No. 6 OF 1972)

Promulgated by the President in the Twenty-third Year of the Republic of India.

An Ordinance to provide for the taking over of the management of the undertaking of the Indian Iron and Steel Company Limited for a limited period in the public interest and in order to secure the proper management of the undertaking.

WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

CHAPTER I

PRELIMINARY

1. *Short title and commencement.*—(1) This Ordinance may be called the Indian Iron and Steel Company (Taking Over of Management) Ordinance, 1972.

(2) It shall come into force at once.

2. *Definitions.*—In this Ordinance, unless the context otherwise requires,—

(a) “appointed day” means the date on which this Ordinance comes into force;

(b) “company” or “Indian Iron and Steel Company” means the Indian Iron and Steel Company Limited, being a company as defined in the Companies Act, 1956 (1 of 1956), having its registered office at Martin Burn House, 12 Mission Row, Calcutta;

(c) “Custodian” means the person appointed under section 4 to take over the management of the undertaking of the company;

(d) “undertaking”, in relation to the company, means the property and assets of the company referred to in sub-section (2) of section 3;

(e) words and expressions used but not defined in this Ordinance and defined in the Companies Act, 1956 (1 of 1956), shall have the meanings respectively assigned to them in that Act.

CHAPTER II

MANAGEMENT OF THE UNDERTAKING OF THE INDIAN IRON AND STEEL COMPANY

3. *Management of undertaking of the company to vest in Central Government.*—(1) On and from the appointed day and for a period of two years thereafter, the management of the undertaking of the company shall vest in the Central Government.

(2) The undertaking of the company shall be deemed to include all assets, rights, leaseholds (including mining leases, if any), powers, authorities and privileges and all property, movable and immovable, including lands, buildings, works, mines, workshops, projects, smelters, refineries, ropeways, stores, instruments, machinery, aircraft, locomotives, automobiles and other vehicles, cash balances, reserve fund, investments and book debts and all other rights and interests arising out of such property as were immediately before the appointed day in the ownership, possession, power or control of the company in relation to the undertaking, whether within or without India, and all books of account, registers, maps, plans, sections, drawings, records of survey and all other documents of whatever nature relating thereto.

(3) Any contract, whether expressed or implied, or other arrangement, in so far as it relates to the management of the business and affairs of the company in relation to its undertaking and in force immediately before the appointed day, shall be deemed to have terminated on the appointed day.

(4) All persons in charge of the management, including persons holding offices as directors, managers or any other managerial personnel of the company immediately before the appointed day, shall be deemed to have vacated their offices as such on the appointed day.

4. *Custodian of the company.*—(1) The Central Government shall, as from the appointed day, appoint a person as the Custodian of the undertaking of the company for the purpose of taking over the management thereof and the Custodian shall carry on the management of the undertaking of the company for and on behalf of the Central Government.

(2) The Central Government may issue such directions (including directions as to initiating, defending or continuing any legal proceedings before any court, tribunal or other authority) to the Custodian as to his powers and duties as the Central Government deems desirable and the Custodian may apply to the Central Government at any time for instructions as to the manner in which the Custodian shall conduct the management of the undertaking of the company or in relation to any matter arising in the course of such management.

(3) Subject to the other provisions of this Ordinance and to the control of the Central Government, the Custodian shall be entitled, notwithstanding anything contained in the Companies Act, 1956 (1 of 1956), to exercise all the powers of the Board of Directors of the company (including the powers to dispose of any properties or assets of the company) whether such powers are derived from the Companies Act, 1956, or from the memorandum and articles of association of the company or from any other source.

(4) Every person having possession, custody or control of any property forming part of the undertaking of the company shall deliver forthwith such property to the Custodian or to any officer or other employee of the Central Government or the company as may be authorised by the Central Government in this behalf.

(5) Any person who, on the appointed day, has in his possession or under his control any books, papers or other documents relating to the undertaking of the company, including the minutes books containing the resolutions of the persons in charge of the management before the appointed day, the current cheque books relating to the undertaking of the company, any letters, memoranda, notes or other communications between him and the company shall, notwithstanding anything contained in any law for the time being in force, be liable to account for the books, papers and other documents (including such minutes books, cheque books, letters, memoranda, notes or other communications) to the Custodian and shall deliver them up to the Custodian or to any such person (being an officer or other employee of the Central Government or the company) as may be authorised by the Central Government in this behalf.

(6) Every person in charge of the management of the undertaking of the company immediately before the appointed day shall, within ten days from that day or within such further period as the Central Government may allow in this behalf, furnish to the Custodian a complete inventory of all the properties and assets (including particulars of book debts and investments and belongings) forming part of the undertaking of the company immediately before the appointed day and of all the liabilities and obligations of the company in relation to its undertaking subsisting immediately before that day and also of all agreements entered into by the

company in relation to its undertaking and in force immediately before that day.

(7) The Custodian shall receive from the funds of the undertaking of the company such remuneration as the Central Government may fix.

5. *No right to compensation for termination of contract or office.*—Notwithstanding anything contained in any law for the time being in force, no person in respect of whom any contract of management or other arrangement is terminated by reason of the provisions contained in sub-section (3) of section 3 or who ceases to hold any office by reason of the provisions contained in sub-section (4) of that section, shall be entitled to claim any compensation for the premature termination of the contract of management or other arrangement or for the loss of office.

6. *Relinquishment of management of the undertaking of the company.*—(1) Notwithstanding anything contained in sub-section (1) of section 3, if, at any time before the expiry of the period of two years referred to in that sub-section, it appears to the Central Government that the purposes of the vesting of the management of the undertaking of the company in that Government have been fulfilled or for any other reason it is not necessary that the management of the undertaking of the company should remain vested in that Government, it may by order published in the Official Gazette relinquish the management of the undertaking of the company with effect from such date as may be specified in the order.

(2) On and from the date specified in the order published under sub-section (1), the undertaking of the company shall be managed in accordance with the provisions of the Companies Act, 1956 (1 of 1956), so, however, that steps, if any, in relation to the management of the undertaking may be taken after the publication of the order under sub-section (1).

7. *Application of Act 1 of 1956.*—(1) Notwithstanding anything contained in the Company Act, 1956, or in the memorandum or articles of association of the company, but subject to the provisions of sub-section (2) of section 6, so long as the management of the undertaking of the company remains vested in the Central Government,—

(a) it shall not be lawful for the shareholders of the company or any other person to nominate or appoint any person to be a director of the company;

(b) no resolution passed at any meeting of the shareholders of the company on or after the appointed day shall be given effect to unless approved by the Central Government;

(c) no proceeding for the winding up of the company or for the appointment of a liquidator or receiver in respect thereof shall lie in any court except with the consent of the Central Government.

(2) Subject to the provisions contained in sub-section (1), and to the other provisions contained in this Ordinance and subject to such other exceptions, restrictions and limitations, if any, as the Central Government may, by notification in the Official Gazette, specify in this behalf, the Companies Act, 1956 (1 of 1956), shall continue to apply to the company in the same manner as it applied thereto before the appointed day.

CHAPTER III

MISCELLANEOUS

8. *Penalties.*—(1) Any person, who—

(a) having in his possession, custody or control any property forming part of the undertaking of the

company, wrongfully withholds such property from the Custodian or any person authorised under this Ordinance, or

(b) wrongfully obtains possession of any such property, or

(c) wilfully retains any property forming part of the undertaking of the company or removes or destroys it, or

(d) wilfully withholds or fails to deliver any books, papers or other documents which may be in his possession or under his control to the Custodian or any person authorised under this Ordinance, or

(e) fails, without any reasonable cause, to furnish information or particulars as provided in sub-section (6) of section 4,

shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to ten thousand rupees, or with both.

(2) No court shall take cognizance of any offence punishable under this section except with the previous sanction of the Central Government or of an officer authorised by the Central Government in this behalf.

9. *Offences by companies.*—(1) Where an offence under this Ordinance has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Ordinance has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to, any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) “company” means any body corporate and includes a firm or other association of individuals; and

(b) “director”, in relation to a firm, means a partner in the firm.

10. *Exclusion of period of operation of Ordinance.*—In computing the period of limitation prescribed by law for the time being in force for any suit or application against any person by the company, in respect of any matter arising out of any transaction in relation to the undertaking of the company, the time during which this Ordinance is in force shall be excluded.

11. *Ordinance to have over-riding effect.*—The provisions of this Ordinance or any notification, order or rule made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any law other than this Ordinance or in any instrument having effect by virtue of any law other than this Ordinance or in any decree or order of any court.

12. *Protection of action taken in good faith.*—(1) No suit, prosecution or other legal proceeding shall lie against the Custodian or any officer or other employee of the Central Government or the company for anything

which is in good faith done or intended to be done under this Ordinance.

(2) No suit or other legal proceeding shall lie against the Central Government or the Custodian or any of the officers or other employees of the Central Government or the company for any damage caused or likely to be caused by anything which is in good faith done or intended to be done under this Ordinance.

13. *Contracts in bad faith may be cancelled or varied.*—(1) If the Central Government is satisfied, after such enquiry as it may think fit, that any contract or agreement entered into at any time within three years immediately preceding the appointed day, between the company or the managing agents of the company and any other person, in so far as such contract or agreement relates to the undertaking of the company, has been entered into in bad faith, and is detrimental to the interests of the undertaking of the company, it may make an order cancelling or varying (either unconditionally or subject to such conditions as it may think fit to impose) such contract or agreement and thereafter the contract or agreement shall have effect accordingly:

Provided that no contract or agreement shall be cancelled or varied except after giving to the parties to the contract or agreement reasonable opportunity of being heard.

(2) Any person aggrieved by an order under sub-section (1) may make an application to the High Court at Calcutta for the variation or reversal of such order and thereupon such court may confirm, modify or reverse such order.

14. *Power to terminate contract of employment.*—If the Custodian is of the opinion that any contract of employment entered into by the company or the managing agents of the company in relation to the undertaking of the company, at any time before the appointed day, is unduly onerous, he may, by giving to the employee one month's notice in writing of the salary or wages for one month in lie thereof, terminate such contract of employment.

15. *Power to make rules.*—(1) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Ordinance.

(2) Every rule made by the Central Government under this Ordinance shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

V. V. GIRI,
President.

K. K. SUNDARAM,
Joint Secretary to the Govt. of India.

THE INCOME-TAX (AMENDMENT) ORDINANCE, 1972

(No. 7 of 1972)

Promulgated by the President in the Twenty-third Year of the Republic of India.

An Ordinance further to amend the Income-tax Act, 1961 and to provide for barring, in the computation of total income in respect of certain assessment years prior to the assessment year 1962-63, deduction of amounts paid on account of wealth-tax.

WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

1. *Short title and commencement.*—(1) This Ordinance may be called the Income-tax (Amendment) Ordinance, 1972.

(2) It shall come into force at once.

2. *Act 43 of 1961 to be temporarily amended.*—During the period of operation of this Ordinance, the Income-tax Act, 1961 (hereinafter referred to as the principal Act) shall have effect subject to the amendments specified in sections 3 and 4.

3. *Amendment of section 40.*—In section 40 of the principal Act, after sub-clause (ii) of clause (a), the following sub-clause shall be, and shall be deemed always to have been inserted, namely:—

“(iia) any sum paid on account of wealth-tax.

Explanation.—For the purposes of this sub-clause, “wealth-tax” means wealth-tax chargeable under the “Wealth-tax” Act, 1957 (27 of 1957), or any tax of a similar character chargeable under any law in force in any country outside India or any tax chargeable under such law with reference to the value of the assets of or the capital employed in, a business or profession carried on by the assessee, whether or not the debts of the business or profession are allowed as a deduction in computing the amount with reference to which such tax is charged, but does not include any tax chargeable with reference to the value of any particular asset of the business or profession.

4. *Amendment of section 58.*—In section 58 of the principal Act, after sub-section (1), the following sub-section shall be, and shall be deemed always to have been, inserted, of namely:—

“(1A) The provisions of sub-clause (iia) of clause (a) of section 40 shall, so far as may be, apply in computing the income chargeable under the head “Income from other sources” as they apply in computing the income chargeable under the head “Profits and gains of business or profession”.

5. *Wealth-tax not deductible in computing the total income for certain assessment years.*—Nothing contained in the Indian Income-tax Act, 1922 (11 of 1922) shall be deemed to authorise, or shall be deemed ever to have authorised, any deduction in the computation of the income of any assessee chargeable under the head “Profits and gains of business, profession or vocation” or “Income from other sources” for the assessment year commencing on the 1st day of April, 1957 or any subsequent assessment year, of any sum paid on account of wealth-tax.

Explanation.—For the purposes of this section “wealth-tax” shall have the same meaning as is assigned to it in the Explanation to sub-clause (iia) of clause (a) of section 40 of the principal Act.

6. *Savings*.—Where, before the commencement of this Ordinance, the Supreme Court has, on an appeal in respect of the assessment of an assessee for any particular assessment year, held that wealth-tax paid by the assessee is deductible in computing the total income of that year, then, nothing contained in sub-clause (iia) of clause (a) of section 40, or sub-section (1A) of section 58, of the principal Act, as amended by this Ordinance, or, as the case may be, section 5 of this Ordinance, shall apply to the assessment of such assessee for that particular year.

V. V. GIRI,
President.

K. K. SUNDARAM,
Joint Secretary to the Govt. of India.

**HOME DEPARTMENT
NOTIFICATION**

Simla-2, the 13th December, 1972

No. 1-1/69-Home.—The Government of India, Ministry of Home Affairs notification No. 23/4/72-Poll. I. dated 31st October, 1972 as published in the Gazette of India Extraordinary dated 31st October, 1972, is hereby republished for the information of the general public.

By order,
K. N. CHANNA,
Chief Secretary.

**No. 23/4/72-Poll-II.
GOVERNMENT OF INDIA
MINISTRY OF HOME AFFAIRS
NOTIFICATION**

New Delhi-110001, the 31st October, 1972

GSR. In exercise of the powers conferred by sub-section (1) of section 3 of the Criminal

Law Amendment Act, 1961 (23 of 1961), the Central Government hereby makes the following amendment in the notification of the Government of India, in the Ministry of Home Affairs, No. GSR-1526, dated the 8th October, 1971, namely:—

In the said notification, in the second paragraph, in items (i) and (ii), for the word "Mahasu", wherever it occurs, the word "Simla" shall be substituted.

T. C. A. SRINIVASAVARADAN,
Joint Secretary to the Govt. of India.

सं० 23/4/72-पोल-I.

भारत सरकार

गृह मंत्रालय

अधिसूचना

नई दिल्ली-110001, दिनांक 31 अक्टूबर, 1972

सा० का० नि० आपराधिक कानून संशोधन अधिनियम, 1961 (1961 का 23) की धारा 3 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, केन्द्रीय सरकार एतद् द्वारा गृह मंत्रालय में भारत सरकार की अधिसूचना सं० सा० का० नि०-1526, दिनांक 8 अक्टूबर, 1971 में निम्न-लिखित संशोधन करती है, अर्थात्—

उक्त अधिसूचना के दूसरे पैराग्राफ को भेद (i) और (ii) में जहाँ कहीं भी शब्द महासू आता है वहाँ उसके स्थान पर शब्द शिमला प्रतिस्थापित किया जायेगा।

टी० सी० ए० श्रीनिवासवरदन,
संयुक्त सचिव, भारत सरकार।